FINANCIALTIMES

Friday November 10 1989

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# World News

# Nato fails to agree draft conventional arms treaty

Last-minute disagreements within Nato prevented the organisation from presenting a draft treaty on conventional arms when East and West

negotiators met. The original draft, drawn up by the US, referred to a Nato-Warsaw Pact treaty but was rejected by, among others, France, which refused to see the negotiations strictly as "bloc-to-bloc" talks. Page 26

### Menem warning **Argentina's President Carios** Menem warned striking public transport workers he was prepared to do battle to end the "aabotage" of his economic austerity plan. Page 7

**EC** examines feed Four European Community governments backed by the EC launched inquiries into what a British minister called a major criminal conspiracy involving the contamination of animal feed that has already killed 100 cows. Page 26

## Moslems gain

Moslem fundamentalists dominated Jordan's first parliamentary election since 1967, win-ning up to 30 seats in the

Cambodia grateful Cambodia's government welcomed Britain's announcement that it would distance itself from the Khmer Rouge and send aid to people in the coun-

# **Greece cuts credit.** The Bank of Greece reined in credit expansion to the private sector amid fresh indications of a widening of the country's domestic and external deficits, exacerbated by political confusion. Page 3

N Korea emerging Efforts are being made to improve relations and open economic links between North Korea and Western countries, in parallel with South Korea's policy of establishing relations with the Eastern bloc. Page

### Hindus build temple Militant Hindus carried through plans to lay the foundation of a new temple in India in a decision possibly aimed at garnering Hindu revivalists' votes for the Government of Rajiv Gandhi. Page 6

### Czal sworn in Conservative Turgut Ozal took the oath as Turkey's new president and picked loyal aide Yil-dirim Akbulut, the speaker

of parliament, as his successor as prime minister. **UK Faiklands move** Britain said it would extend its territorial waters around the disputed Falkland Islands

in January despite opposition from Argentina. Prisoners go home The Soviet Union and Afghan

ing prisoners of war soon, a Soviet negotiator told the gov-ernment daily Izvestia. **Rockets hit Israel** 

### Two salvoes of Katyusha rockets were fired at Israel from different areas of Lebanon.

### \$20m painting "Interchange", a painting by Willem de Kooning, sold for \$20.7m at Sotheby's auction house, a record for a painting

## by a living artist. MARKETS

w York k \$1.5811 \$1.5865 (same) DM2.9325 (2.9275) FFr9.9425 (9.92) SFr2.5725 (2.565) Y226.50 (227.00) COLD

New York: Comex Dec \$389.1 (390.8) \$387.25 (384.25) N SEA OIL (Argus) Brent 15-day Dec \$19.025 (+0.225)

Chief price changes yesterday: Page 27

Fed Funds 83 % 3-mc Treasury Billa: yield: 7.972% Long Bond: 10233 yleid: 7.880%

closing 15% (15 ½) Lifte long gift future Dec 92% (92%)

DOLLAR New York Att DM1.8505

FFr6.2745

SFr1.624

Y143.075

RATES

DM1.848 (1.8455) FFr6.2875 (8.2525) SFr1.621 (1.817) Y142.80 (143.15)

\$ index 89.6 (69.7)

US LUNCHTIME

Tokyo close: Y142.70

MARKET REPORTS: CURRENCIES, Page 48; BONDS, Pages 32, 33; COMMODITIES, Page 40; EQUITIES, Pages 41 (London), 49 (World)

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# **Business Summary**

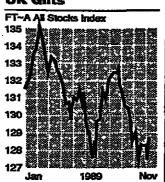
# UK may be left behind over EMS, warns Rocard

Britain will be left behind if necessary as the rest of the EC presses ahead with monetary union, Michel Rocard, the French Prime Minister, said

in Brussels.
Issuing the strongest warning yet to Britian to join the EMS, he likened Britain to the "slow boat" of the Community and said: "Great Britain can do what it likes, but we can't wait." Page 26

UK-gilts waited for the Bank of England quarterly bulletin, which emerged after hours,

### **UK Gilts**



when the FT-A All Stocks Index rose 2.8 per cent to 128.75. Markets, Page 23 PHILIP Morris, US tobacco and food conglomerate, is to sell its 24.9% stake in Roth-mans International, world's fourth largest cigarette pro-ducer, back to Richemont, which was set up last year to acquire the non-South African interests of Rembrandt Group.

WALT Disney, big US enter-tainment group amounced a 56 per cent jump in profits to \$212.7m for its latest quar-

VEBA: net profits at the huge West German energy, chemi-cals and oil group, rose by 14.2 per cent to DM645m (\$330m) in the first nine months this

HUTCHISON Whampoa, controlled by Mr Li Kashing, is selling two of its Hong Kong trading companies, John D Hutchison Group and Hutchison-Boag Engineering, to Inch-cape Pacific, for approximately HK\$870m (\$111.5m). Page 31

England in its latest Quarterly Bulletin, concluded "there could be no question but that interest rates here had to rise when they did on the Conti-nent." Page 10

ASIAN-US ties: trade links between the US and east and south-east Asian countries are weakening, according to a report by a team of Asian econnists. Page 9

ALLEGHENY International, Pittsburgh home appliance maker languishing in bank-ruptcy court for a year and a half, received a \$683.8m offer for its business from a New York investment firm.

LVMH: the battle for control of LVMH Moët-Hennessy Louis Vuitton, French drinks and luxury goods group, returns to the courts today in an atmosphere of mounting bitterness. Page 28

KABI, pharmaceutical division of Sweden's state-owned conglomerate Procordia, announced it will buy Fides, Spanish pharmaceutical group.

CHINA: New York-based Moody's Investors Service downgraded China's credit rating for long term debt as a direct result of the political turmoil there. Page 5

JAPANESE electronics: the US risks being almost totally dependent on Japanese electronics and other key equipment by the year 2000, Donald Atwood, Deputy Secretary of Defence, said. Page 7

STOCK INDICES

FT-SE 100:

2,201.7 (-2.1) FT Ordinary:

1,764.3 (-9.9)

FT-A All-Share

1,108,87 (-0.1%)

New York kunchi

2,619.88 (-3.48)

338.34 (+0.19)

35,657.42 (+61.83)

LONDON MONEY

S&P Comp

# Deng steps down from last official post

CHINA BEGAN a new era of uncertainty yesterday as Deng Xiaoping, the supreme leader and for 10 years the architect of the country's economic reform, resigned from his last official post, the chairmanship of the party's Central Military

The outlook for continuing reform and the "open door" policy which Deng promoted looks even bleaker because two reputed conservative hard-liners - President Yang Shangkun and his brother, Yang Baihing, both influential in masterminding the army's massacre of demonstrators in Peking in June – gained promotion in the resbuffle.

The resignation was reported by the official New China

News Agency.
"After careful consideration," Deng wrote, "I wish to

ation," Deng wrote, "I wish to resign from my present post while I am still healthy... This will be conducive to the cause of the party, state and army."

While it is widely believed that Deng will retain influence as long as he lives, he appears to have lost the battle he has been fighting since the massacre to keep some elements of cre to keep some elements of the reform on course and the leadership at least balanced

Deng's post was awarded to his protegé, Jiang Zemin, the 63-year-old party general secre-tary. Jiang, who became party leader in June to replace the

nomic reformers.

between conservatives and eco-

dismissed Zhao Ziyang, has no military background. He previ-ously worked in Shanghai where he had a reputation as a technocrat and his appointtechnocrat and his appointment is seen as a victory for Deng but one outweighed by the rise to power of the Yangs. It is also possible, although this view is discounted by diplomats in Peking, that Deng was forced out of office by the powerful Yang faction. Jiang Zemin is not thought to have the personal weight or backing in the party to control the Yangs and other hard-liners

Yangs and other hard-liners and is unlikely to survive after Deng's death. For some years Deng has said he wished to resign but has kept his military job, observers believed, because the

army would not accept his other nominees The Central Committee

meeting also approved a communique calling for more party control over the economy and independent local governments (such as the southern provinces of Guangdong and Fujian) which have ignored orders from Peking and pur-sued their own interests. It also stated that the "austerity programme," begun in September last year to quell inflation, would last for another two years. This has reduced inflation but has crippled enterprises and increased

pled enterprises and increased Deng leaves the door open; China's debt standing down-



### Deng Xiaoping: architect of China's economic reform

# Bonn prepares for new refugee flood as E German borders open

### By Leslie Collit in West Berlin and John Lloyd in East Berlin

WEST GERMANY was last night bracing itself to receive an enormous influx of refugees after the East German Government announced it would immediately throw open its borders with the West.

borders with the West.

The surprise action, announced last night by Mr Gönter Schabowski, the Communist Party media chief, gives East Germans free and almost instant travel to the West for the first time since the Berlin Wall was built in 1961.

It appears to make the entire rationale for the Berlin Wall The US was among the first to react to the move.

ly....it would be an important step in the direction of peace-ful and evolutionary democretic reform. West German estimates put

the total of those wanting to leave East Germany at between 1.2m and 1.4m out of a between 1.2m and 1.4m out of a total 16m.
Already this year more than 200,000 have left by either legal or illegal means.

Mr Schabowski said: "Today the decision was taken that makes it possible for all citizens to leave the country through East German crossing points."

He said those East Germans who wanted to visit other countries and then return would still need a visa, but that the visa requests would be handled at local police stations

 Gredible reformers Modrow: man of the party rank and file Demand for congress

● Kohl forced to drop Auschwitz visit PAGE 2 Last night the Mayor of West Berlin, Mr Walter Momper, estimated that within a few days West Berlin would be as full of East Germans, visiting and otherwise, as it was of vis-

and otherwise, as it was of vis-iting West Germans.

He said West Berlin was hop-ing to open up old transport links with the eastern half of Berlin and with East Germany in order to accommodate the

centre only a few hundred yards from Checkpoint Charlie, the main East-West crossing in Berlin creating widespread confusion among domestic and foreign journalists.

foreign journalists.

A version put out immediately afterwards by ADN, the official East German news agency said that permission to leave would be given "promptly" and "without demanding preconditions for a permanent exit." A request "may only be rejected in extraordinary cases."

The sudden liberalisation means that the circuitous

means that the circuitous

from rank-and-file members for a special congress to elect a new Central Committee and ruling Polithuro. Rebellious Party officials in

route which has been taken by about 60,000 East Germans since last weekend through Czechoslovakia, and described by Mr Schabowski as "embar-

## Eleven face charges in **Blue Arrow** affair

### By Richard Waters in London

CRIMINAL charges were brought in Britain yesterday against 11 people involved in the Blue Arrow affair, among them six former or current executives of County NatWest. The charges, alleging conspiracy to defraud, shook the City of London, which has already had to cope with the aftermath of a series of allegations relating to Blue Arrow's unsuccessful £837m (\$1.3bn) rights issue two years are

rights issue two years ago.
The charges also allege conspiracy to defraud against County and UBS Phillips &

County and UBS Phillips & Drew, two of the City's leading financial institutions. The accusation is also levelled against NatWest Investment Bank, County's parent.

Yesterday's developments followed a series of early morning arrests by the Serious Fraud Office and the City of London Police fraud squad.

The charges stem from the The charges stem from the failed £837m Blue Arrow rights issue in 1987, which led to County and Philips & Drew being left with a substantial proportion of the shares.

The affair led to an investi-

gation by Department of Trade and Industry inspectors, and prompted a spate of resigna-tions this summer. These included Lord Boardman, the chairman of National Westmin-ster bank, and three of the clearer's executive directors Those charged yesterday

Continued on Page 26 Background, Page 11; Lex,

### the provinces are already chal-lenging the decisions of Mr Egon Krenz, the Party leader. Mr Hans-Joachim Böhme, a hardline Politburo member re-The White House said: "We appland the decision by the East German Government to allow its citizens to travel freeexpected influx. Mr Schabowski announced elected to the ruling body only this week, was ditched from the measure towards the end of a press conference held in a rassing," becomes unneces-Moscow welcomes purge of the hardliners

THE Soviet Union yesterday welcomed the upheaval in the Communist Party. leadership of East Germany, and histed that it might be prepared to live with a non-Communist regime in the country, as it has done with Poland, writes Quentin Peel in Moscow.

At the same time, a government spokesman in Moscow also indicated that the question of "stability in Europe" would be the right subject for discussion at the forthcoming informal summit meeting between President George Bush and Mikhail Gorbachev. Mr Gennady Gerasimov, the Foreign Ministry spokesman, also linked the question of German reunification directly to the continued division of Europe into military blocs, in what was

an apparent relaxation of the traditional cutright Seviet hostility to any
sufficient of change.
While insisting that any changes and
reforms in East Germany should be
decided in that country, Mr Gerasimov
said: "These changes are for the better.
That is for sure. It is their country,
they know it better. But we welcome
these changes. They didn't talk until
recently. They are talking now."

Questioned on the possibility of the
Communist Party losing power in East
Berlin, he compared the situation with

Berlin, he compared the situation with Poland.

of Poland.

"In Poland you have a coalition. You don't have a Communist government. But Poland is a good member of the Warsaw Pact. Governments may

change, but international obligations

He was questioned repeatedly on the Soviet attitude to the renewed debate over German reunification, and insisted that it was not "realistic" to raise the question at the present time.

However, he was careful not to be

drawn into any categorical rejection of the possibility. "Let us be realists. If we keep our feet on the ground, we cannot see any possibility of reunification of both Germany's now. Let us disband the War-saw Pact simultaneously with Nato, and then maybe the situation is going to change, and we can return to this subject and discuss it again." threats to its own security had changed. In the years after the war, such threats were perceived geographically: "The Soviet Union was a victim

Last night's announcement

came after another extraordi-nary day during which East Germany's leadership announced that an Extraordi-nary Party Conference would

be held next month - the first

from December 15 to 17, how-ever, falls short of demands

The conference, to be held

conference for decades.

of invasion from the West."

However, today new military technology meant that even "an explosion near a nuclear power station would cause a holocaust, so that we think the concept of national security has been

Mr Gerasimov did suggest the Soviet change in Eastern Europe, when he welcomed the suggestion that the events in East Germany, Poland and Hungary should be discussed at the US-Soviet summit subject and discuss it again."

US-Soviet summit

He said that Soviet perceptions of Soviet economic conference, Page 26

# **British banks increase cushion** for bad Third World debts

### By Stephen Fidler, Euromarkets Correspondent, in London

TWO LEADING British banks, Lloyds and National Westminster, yesterday announced they would sharply increase their cushion for bad Third World debts, a move which should do much to put a lingering prob-lem behind them. lem behind them.
Lloyds said it was adding \$1.2bn (\$1.89bn) to provisions for doubtful developing country debts, which will cause it

to report a substantial loss for NatWest said it would raise the level of its reserves by £575m (\$907.92m), leading to a

significant reduction in profits.

The move means that Lloyds is protected against loss on 70 per cent of its entire £4.2bn (\$6.63bn) Third World exposure, and 85 per cent on its medium and long-term loans to 29 developing countries with problems servicing their debts. NatWest is 65 per cent covered on its £2.2bn (\$3.47bn) developing country book, or 72 per cent provided if £220m (\$347.38m) of voluntary short-term credits, which are

being fully serviced, are excluded from the calculation. Both banks cited a worsen-ing in the outlook for the prompt servicing of this debt prompt servicing of this debt over the last few months, and say that the new international debt strategy, which emphasises the reduction of developing country debts, has played a part in bringing that deterioration about. The strategy was launched in March by the US Treasury Secretary Mr Nicholas Brady.

Banks have been hobbled by

Banks have been hobbled by the less developed country (LDC) debt crisis since it broke in August 1982, when Mexico announced that it could not meet its debt obligations. Despite the losses or profit falls which they imply, banks announcing large debt proviannouncing large debt provi-sions have usually been greeted with significant increases in the price of their shares because such banks are considered better able to put the debt problem behind them. Following this pattern, Lloyds shares were up 31p yesterday

to 413p, while NatWest's rose 12p to 324p. Both banks said that a rights

issue would not be necessary to finance the increase in reserves. Lloyds announced a scrip or capitalisation issue, in which one old share will be exchanged for two new ones. It added that £300m (\$473.70m) of the increased provision would come from its revaluation its

Midland and Barclays, the other two main clearing banks, both said yesterday they had

The Bank of England is currently revising its guidelines for banks on developing coun try debt provisions. However, the provisions of both NatWest and Lloyds are likely to far exceed the level sugge these guidelines, which are expected to imply a 50 per cent ratio of reserves to loans is

no plans to increase provisions from the roughly 50 per cent level to which they were raised at mid-year.

appropriate. Background, Page 27

### CONTENTS

### Rama Rao tries to hide political wrinkles under his make-up



Companies ... World Trade . Britain ....... Companies ...

N. T. Rama Rao (left), Chief Minister of the south India state of Andhra, has lost none of the flamboyance that entranced cinema audiences for 30 years. He is at his histrionic best on the Indian election cam-

paign trail. Page 4 Agriculture
Arts-Reviews
World Guide
Commercial Law
Commodities Athens: Bank of Greece puts squeeze on credit growth Havane: Castro feels East Europe's winds of

change ... ent: Corporate financing in Japan Nifty independents ... Editorial Comments Fine-tuning the Brady Plan; Think again, Mr Wakeham; Namibia .....24

Lombard: The disappearing adviser .... Politics Today: Striving for the (nearly) impossible ... npa-...25

nies; Polygram	w; nounmens; oil compa-
Financial Futures 48 Gold 40 International bonds 32,33 Intl. Cepital Markets 22,31 Letters 25 Lex 26 Lombard 25 Management 12	Raw Materials

48 World Index

Money Markets ...

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# Kohl obliged to put off visit to site of Auschwitz

By David Marsh in Warsew

MR HELMUT KOHL, the West German Chancellor, yesterday faced fresh embarrassment over his trouble-plagued visit to Poland.

A planned pilgrimage to the site of the Auschwitz concen-tration camp had to be postponed because of objections from Mr Heinz Galinski, bead of the West German Jewish Council.

The Auschwitz controversy arrival in Warsaw yesterday afternoon on a five-day trip to put forward economic help for Poland. He immediately went into talks on supporting Polish reforms with Mr Tadeusz Mazowiecki, the Polish Prime Minister, and Mr Lech Walesa,

the Solidarity leader.
In a dinner speech last night
Mr Kohl said West Germany
and Poland were starting a
"new chapter" in their relations, but underlined that pri-vate companies would have to play a strong role along with governments in boosting the Polish economy.



Mr Kohl's visit to Auschwitz, originally planned for tomorrow, was put back to Sunday after Mr Galinski - who is travelling with the Chancel-lor's large delegation - ob-

jected to going there on the Jewish sabbath. Mr Galinski's reasoning surprised Mr Kohl's officials, but underlined the sensitivities which have dogged planning for the trip. Mr Kohl now faces a logisti-cal test on Sunday by visiting the former concentration camp site in the morning and going

on to a Catholic mass in Lower

Silesia in the afternoon.

The mass was re-arranged last week after Poles voiced misgivings over an earlier plan to go to a mass at the site of a bloody confrontation between Poles and Germans in 1921. The atmosphere of the visit has also been soured by uncer-tainties over Poland's borders. Mr Kohl emphasised that West Germany would respect Polish people's right to live in former areas of the Reich annexed in

But the final question of Poland's boundary with Ger-many could be settled only when a peace treaty was signed with the Second World War victors, he said.

# **IMF** backs Polish economic plan

By Christopher Bobinski in Warsaw

POLAND has won the approval of the International Monetary Fund for the broad outlines of its economic policies but agreement on an adjustment pro-gramme can only be finalised next year according to Mr Mas-simo Rousso, head of the IMF's European Department.

Mr Rousso, who has been conducting talks in Warsaw, said yesterday: "We have achieved sufficient agreement to understand that such a time-

The fund is still awaiting information on the possible

other western sources and levels of financing the Poles will be able to count on next year such will be available and shelved a once mooted target for Poland to balances its external payments by 1991. December will see the presentation in parliament of Poland's budget for next year which will provide concrete information on how far and fast the Government intends to move towards a free market. Given Poland's IMF quota the country can expect to raise

credits worth up to \$700m next year of which a first tranche of \$200m would be available if an agreement was signed in February in the first quarter.

An adjustment agreement with the IMF is seen as crucial to Poland's chances of normalising relations with Western creditors and raising a \$1bn stabilisation loan from western governments to help establish an internal foreign exchange market where companies and private individuals would be able to buy and sell at rates reflecting supply and demand.

# Wanted: credible reformers for the party

Pluralism cannot emerge in a society lacking opposition forms, writes John Lloyd

ARLIER THIS year, Mr Hans
Modrow, the Dresden Communist
Party leader who was holsted
into the politicary on Wednesday and
Party leader who was holsted
Party leader who was holsted
Heinrichs, a former deputy minister
Party leader who was holsted
Heinrichs, a former deputy minister
Party leader who was holsted

Heinrichs, a former deputy minister

Heinrichs, a former deputy minister

Heinrichs, a former deputy minister nominated as Prime Minister, was talking of economic reform preceding political reform.

That was in the time, acons ago, when the Socialist Unity Party believed it controlled events. It no longer does: and in its desperation, its leader, Mr Egon Krenz, has promised an electoral law permitting a "free, general and secret poll, open to public control at every step".

Mr Gunter Schabowski, the East Ber-lin party leader who is emerging as the spokesman for the embattled politburo, added at a press conference that it was "theoretically possible" for his party to lose power — but went on to say that it had not adopted "the suicidal notion that it could be swept from the political

stage".
The East European communist par-ties have, in their travails, been rich in ambiguities - ambiguities which all stem from the fact that the words used are capable of many different meanings

or none at all. This is not the result of a master plot: it is the natural effect of parties seeking to juggle the retention of power with those concessions required to defuse the opposition. In the Socialist Unity Party, there has

and senior economic adviser - kept their advice largely to themselves while Mr Erich Honecker, deposed from party leadership only last month, was general secretary. The party has been much more successful than others in preserving a unity of line: that strength is now a weakness, for its has nowhere to turn to give flesh to Mr Krenz's statement on free voting.

It is overwhelmingly likely, however, that the preferred option for achieving "free" elections will be the granting of greater power and independence to the communists' four allied parties – the Christian Democratic Union (about 130,000 members), the Liberal Democratic Party (100,000) and the Democratic Party (100,000) and the Democratic Party (100,000) and the Democratic Party (100,000) cratic Farmers Party (110,000).
Indeed, the most prominent leader among these, Mr Manfred Geriach of the Liberal Democrats, has taken on a

certain popularity in the past months and is talked of in official circles as likely to take over the presidency of the Volkskammer, or assembly, from Mr Horst Sindermann - one of the departed members of the politburo. These four parties have sufficient united voting strength in the assembly to outvote the communist delegates – though not if the party could call on those delegates who represent unions, youth and women's groups, which are party-controlled.

It is necessary to recall how shallow is the base which the allied parties have - and thus how difficult it will be for them to pose as carriers of the seeds of a radically new system. he CDU, for example, is officially described as organising people

who "are motivated by Christian faith and traditions, are committed to peace, human dignity and social justice and actively building socialism". The liberals "are called upon to take an active social instance in the committee of the committee o active part in implementing the country's peace policy and continuing its course of translating economic success into social benefit."

In short, these are organisations which have been set tasks by the Communist Party: they have never developed their own programme, and have naturally tended to evolve the view that communist domination was a fact of life. That state of mind – which Mr Geriach and his colleagues are now batting against — may suit the commu-nists but is unlikely to be accepted by the masses, maybe not even by some members of the Socialist Unity Party. That circle could be widened by the inclusion of a legalised New Forum, the opposition umbrella group, allowed per-haps to operate on a national scale in the way it has recently been invited to do (by Mr Modrow) on a local level

- that is, contributing dissenting experts to working groups. Conceiv-ably, too, it could be allowed to become a party in its own right, though its own amorphous nature might prevent or at

least delay that. It should be further remembered what political life in the German Democratic Republic has not been. It has not been in the least democratic: the allied parties were tools, the trade unions transmission belts, the social organisations party fronts, Some part of this is

his new colleagues. Opposition has not come, as in Poland, in a great roar from below: nor roand, in a great roar from below, nor has there been, as in Hungary, a profiferation of independent parties; nor even, as in the Soviet Union, the formation of putative opposition round charismatic dissident figures or the regional months of normals.

even conceded now by Mr Krenz and

growth of popular fronts. Even the intelligentsia has until recently been quiescent - or in exite. Even if Mr Krenz wanted to (we can be fairly sure he does not), he could not conjure pluralism out of thin air. It is thus up to the populace to develop opposition forms and parties – something which may be a rapid affair when it starts, but has not started yet.

It may be that, just for now, Mr Krenz cannot secure assent for a managed democracy, and the people cannot manage a democracy of their own.

# not been visible - and there is not now visible - a group of reformers pushing E Berlin's mild-mannered man from the rank-and-file

By Lesile Colitt in East Berlin

MR HANS MODROW, the mild-mannered reformer elected to the East German politburo this week and who is certain to be the next Prime Minister, is an ardent admirer of Japan. He is less enthusias-tic about the Soviet Union. This is not because he spent four years in a Soviet prison-er-of-war camp after being drafted in 1945 into Hitler's last-ditch "Volkssturm" army. It has more to do with the fact that he was confronted with the stubborn Soviet economy when he studied Soviet agri-culture for a year in Lenin-grad. The experience has made him sceptical about the pros-pects for Mr Mikhail Gorba-chev's experiment in soricalchev's experiment in agricultural co-operatives.

Mr Modrow is often com-

Mr Modrow is often com-pared with Mr Gorbachev and is undoubtedly one of the few genuinely popular East Ger-man party leaders. When the engine fitter from Mecklenburg in the north

who has a degree in economics-was sent by the party to head southern Dresden district in 1973 he aroused the enmity of factory directors by refusing the customary presents-in-kind given to district chiefs. But he gained the respect of Dresdeners by refusing to live in the official villa; inste occupying a three-room flat with his wife and children. Having got to know the ascetic and modest Mr Modrow when he headed the Free Ger-

Berlin branch (and the party organisation in the capital's enick subarb in the 1950s and 60s), his enemies in the party hierarchy were all too eager to keep him as far from the centre as possible.
Only last summer the Dres-

man Youth movement's East

den party was viciously attacked by the central com-mittee for inadequate "politi-cal mass work." Some of his detractors in Berlin noted that Dresden had one of the highest

rates of migration to West Germany, Now, however, the exodus from East Berlin is

As head of the GDR-Japan Friendship Society, Mr Mod-row has made frequent study trips to Japan. He believes that economic reform in East Germany can be carried out with a minimum of political dislocation and he admires the Japanese obsession with industry and economics.

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# Krenz faces up to Congress call

Leslie Colitt looks at the furious demands facing the new leader

ast week, East Ger-responsible under "criminal nany's Communist law."

Party leaders were fac-The "leading role" of the ing rebellion in the streets. Now they are facing a wholly new rebellion from their

In an explosion of fury, thou-sands of angry and distillu-sioned Party members gath-ered late on Wednesday afternoon in front of the forbidding grey Central Committee building on Werderscher

Markt.

"Egon, Egon," they cried.
But Egon Krenz, the freshly
re-elected Party General Secretary, stayed inside his Central
Committee building. The Party
protesters held up handscrawled placards, demanding
a special Party Congress immediately.

A special congress is extremely rare, requiring one-third of the Party membership to openly oppose the policies of the Polithuro and call for one to be convened.

to be convened. They tend to bode ill for the ruling Party apparatus. Party members can demand a new election of the Central Committee which, in the case of the East German Party (the SED) could result in a clean sweep from the CC of ultra-conservafrom the CC of ultra-conserva-tives — of whom there are many — and a new Polithuro including General Secretary. But understandably Mr Krenz said nothing about a Party Congress in his speech to the CC earlier. Speaker after speaker told the embattled Party leader.

the embattled Party leader-ship-still inside the building-of the alienation and revulsion which had built up over years in the lower echelons of the 2.3m - member SED.

23m - member SED.

Most of them were young comrades who had their careers before them. They were now watching helplessly as a population which had shed its fear openly rebelled against the dictates of the Party. It did not need much imagination for not need much imagination for the young Party members to foresee what their future in the SED would be like after demo-

cratic elections.

Ms Margot Thiemann, a young comrade, told the crowd that the Party did not "listent to us for 40 years" and now the people refused to listen. "We, the Party hasis, stands in front of the door and the leadership inside is still not listening to us " the soid to amplement

nside is such not insteaming to us," she said to applause. "Egon, Egon" the crowd chanted. Another speaker, Comrade Marina Leichner, warned the leadership to stop calling the crisis which it had brought about a crisis of the country.

"The issue now is to legitim-ise socialism, not to make a better socialism," she said turning the leadership's words

The "corruption and self-righteousness" of the SED leadership created the crisis

Party had to go she said to rising applause. This was pre-cisely what demonstrators had

After more than a dozen speakers had vented their frustration and wrath on the Polittransn and wrath on the Pont-buro and CC, "Egon" emerged from the building wearing a beautifully-tailored suit and grinning widely.

The ripple of applause died quickly. This was something



enz: facing fury

ing his broadest smile. "But I understand that you want to fully support the renewal of the Party," he said.

the Party," he said.

Embarrassed silence followed isolated clapping and more calls for a Party Congress grew. This was later described as "heavy applause" in the official press.

He had gotten thousands of letters in the last few days and promised all of the proposals and requests would be considered by the CC meeting.

"Convene a Party Congress" "Convene a Party Congress" the crowd insisted impatiently. Mr Krenz said that in the inter-

est of democracy one could not prejudice the results of the CC discussions with any "single He assured the comrades that what they all wanted was a socialism which was "economically effective, politically democratic and morally clean and which is interested in the

individual." But now he had to "We must deliberate and work together. I wish you all the best." More silence and murmers of dissension.

A young Party official stood up and called on the comrades to sing "Brüder zur Sonne zur Freiheit" the old German socialist anthem. But the "Genossen" (comrades) were not taking orders from anyone.

The demonstrators to the last man and woman heavy last man and woman began loudly singing the Internatio-nale with the stirring words "...fight for human rights."

nearing the top of the chart.

# W Germans suggest new reforms for the East

By David Goodhart

in Hamburg TWO PROMINENT West Germans, Mr Helmut Schmid the former Chancellor, and Mr Eckart van Hooven, a board member of Deutsche Bank, yesterday came up with sugges-tions for promoting economic

reform in East Germany.

Mr Schmidt proposed a massive injection of West German aid, on condition that last May's local elections in East Germany are re-run, financed by a special income tax surcharge on West Germans. He speculated that such tax, perhaps representing a 5 per cent rise in income tax, might continue for about three

years. "It is only right that we should give up a small part of our great wealth to support such a cause," he said.

Mr van Hooven suggested that West German industry should form a "their femerity" should form a "task force" of managers to advise their col-leagues in East Germany on everything from technology to marketing. He did not rule out material aid, in particular for promoting incentive systems, but said that West German

companies simply offering to build new plant in East Ger-many would not be helpful. "We should offer aid in a humble way. We should not impose way. We should not impose on them but let them come to us and tell us what they want," he said.

He added that contacts between the top management of the East German kombinate (holding companies) had inter-

of the East German kombinate (holding companies) had intensified considerably since the political crisis in East Germany began. "These contacts must deepen and we must do all we can to support the pragmatic business leaders against more conservative politicians." The past few weeks have also seen increasingly radical calls for economic reform from within East Germany. Mr Günter Schabowski, a newly appointed Politburo member, and other senior officials, have publicly derided the current subsidy system and called for a shake-up of the kombinate. A shake up of the kombinate. A debate has also begun in the official trade union movement over questions such as a proper right to strike.

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# Italy aspires to a bigger regional role

AFTER DECADES of relative passivity, Italian foreign policy in Europe will be seeking to acquire a new dimension this weekend at a meeting in Budapest of senior ministers from Italy, Austria, Hungary and

Yugoslavia.
The intention behind the italian initiative is to play a leading regional role in Western Europe's efforts to help governments seeking an exit governments seeking an exterior communism in the direction of democratic plurelism.

Tomorrow's talks in Budapest will aim at creating a

close quadripartite grouping based on regular ministerial contacts and collaboration on industrial, technical and scientific issues, transport, telecom-munications and environment. Italy's choice of partners is

both geographically and politi-cally determined. Mr Gianni De Michelis, its new Foreign Min-ister, says the idea grew out of Austria's decision earlier this year to apply for European Community membership. Rome supports this applica-tion but recognises that Aus-

trian accession may not be possible before the mid-90s. In the meantime, it believes that Italy can play a key role in drawing Austria politically closer to the EC, and in the process solve important bilateral issues such as the rights of German speakers in the South Tyrol.

It then became natural to draw in Hungary after the political upheavals of the summer, and Yugoslavia, always an anomaly in the East European Communist world, which is now struggling against economic and political collapse. The fear in Rome is that turmoil in Yugoslavia, particularly if Serbian nationalism were to take control, could

refugees across its borders.

If Czechoslovakia were to follow Poland and Hungary in abandoning the Communist system, then it, too, could eas-ily be embraced by the Italian initiative, says Mr De Michelis. "We are moving to fill a vac-num," he observed this week, denying that Rome's autonomous diplomacy would in any sense undermine political co-operation in the Community.

"We have discussed this with our partners in Nato and the EC and they are completely in

Although Mr De Michelis inherited the quadripartite idea when he took over in July from Mr Giulio Andreotti, now Prime Minister, he has made the main political effort to interpret the changes in East Europe for the Italian public. His constant theme is identi-

cal to that of Mr Jacques Delors, the European Commission president, and President François Mitterrand of France: that the pace of EC political integration must be speeded up both to increase the Community's strength as a pole of attraction for Eastern European countries and also as a firm anchor for West Germany as it seeks remnification with the eastern half

Any possible enlargement of the EC to include countries the EC to include countries such as Poland and Hungary must still be a long way off. But he believes that Western Europe will have to commit political and economic resources to ease their transition towards pluralist democracy or face the possibility of disastrous collapse which could undermine the Community itself.

In this respect the Budapest initiative is not a choice, but a

duty," he says. He goes on to argue that Italy must now become "one of the leaders of the EC in the 1990s" because of its economic strength, regional location and diplomatic opportunities. Believing that tensions around the Mediterranean should ease as the Soviet-US relationship improves, Mr De Michelis sees the chance of Italy returning to active diplomacy in the three areas which have been of interest since the Roman Empire: Western Europe, Central Europe and the Mediterranean. He might also add that it takes a Venetian with a sense of history like himself to see the opportunities. Explaining his view of the world, he says, only half in jest: "There is the world, there is the centre of the world, which is Europe, and at the centre of Europe,



PROSPECTS FOR forming an government to tackle Greece's argent economic problems brightened yesterday as Mr Constantine Mitsotakis, head of the Conservative New Democracy Party, wound up talks with the Communist and Socialist leaders, writes Kerin

Hope in Athens. Mr Mitsotakis, dropping his earlier efforts to form a minority administration, has proposed that an "ecumenical" government should hold power until Parliament votes for a new head of state next spring. Fresh elections must be held

state next spring. Fresh elections must be held if none of the presidential candidates secures 180 votes in the 300-member House, an outcome which many deputies believe is inevitable.

Mr Andreas Papandreon, the former Socialist prime minister, who held a rare meeting on Wednesday with Mr Mitsotakis, a bitter political enemy, has left open the possibility of an all-party government. Mr Harilaos Florakis, the

Communist leader, pictured above left with Mr Mitsotakis, said he approved of the idea in principle, although policy differences would make it hard to implement. However, Mr Mitsotakis also seems ready to

consider a government formed of technocrats and academics which could apply tough ec-nomic measures peeded to control runaway deficits and 14 per cent inflation without political cost. Before handing the exploratory mandate over to Mr Papandreou, he also met Mr Apostolos Lazaris, a former Socialist economy minis-ter and one of three independents holding the

balance of power in a hung parliament.

Mr Lazaris, a moderate who was backed by
both Socialists and Communists in last Sunday's election, could be prime minister in an all-party government. However, the ecumenical solution would probably mean further delays in important foreign policy decisions.

# Bank of Greece puts the squeeze on credit growth

THE BANK of Greece acted yesterday to rein in credit expansion to the private sector amid fresh indications of a widening of the country's domestic and external deficits, exacer-bated by political confusion. Mr Dimitris Halikias, who as

central bank governor, has steadily deregulated the once rigid Greek financial system, said he had taken temporary steps to discourage excessive lending because of a surge in demand for credit, reflecting fears that already high interest rates will rise even further.

Under yesterday's decree, any bank that allows credit expansion in the final quarter of the year to rise above 5 per cent will be penalised by hav-ing to place non-interest bear-ing deposits with the central bank to the value of 25 per cent of the extra credit. The aim is to keep the growth of credit from the commercial banks to around 20 per cent for the year. Mr Halikias, said in an interview with the FT that this year's current account deficit could be as high as \$2.5bn, up

from last year's \$957m, the lowest since the early 1970s.

Figures published this week show the shortfall for January-September was \$1.62bm, up from \$553m in the equivalent period of last year. Comparing

the first nine months of 1988 and of 1989, the visible trade gap rose 8.7 per cent to \$6.37km, receipts from tourism fell 19.7 per cent to \$1.60km, earnings from shipping were down 5 per cent at \$360m, and remittances from Greeks abroad tumbled

by 22 per cent to \$1.03bn. A rise in the inflow of investment capital (by 10.4 per cent to \$498m) was outweighed by the drop (by 18.4 per cent to \$561m) in the inflow of capital to buy real estate. Mr Halikias described the

situation as manageable, noting that foreign exchange reserves at the end of September remained relatively healthy at \$3.87bn, although they were down from the his-torically high figure of \$5.21hn recorded a year earlier. He said it was a structural

feature of Greece's external balances that several items on the earnings side, notably cur-rent and capital account remit-tances from Greeks abroad, were vulnerable to fluctuations during political uncertainty.

Once the confusion created by last Sunday's inconclusive election was cleared up, then "logically, this trend should be reversed," Mr Hallkias said. He described as "very serious" the deterioration in the domestic balances which have seen the

public sector deficit rise this year to an unprecedented level of at least 22 per cent of GDP. Revenue was falling further and further short of expectations because of massive evasion not just of income tax but also of indirect taxes including the relatively new value added tax, a problem no Government had shown the will to tackle. In the absence of any serious public sector deficit rise this

had shown the will to tackle.

In the absence of any serious attempt at fiscal prudence, the central-bank had only managed to stabilise inflation at its relatively high level of 14.2 per cent through tough monetary policy and keeping the drachma relatively strong.

Mr Haliktas said he was not sure whether in current circumstances the Government

cumstances the Government would be able to keep its promise to the European Commu-nity of liberalising the outflow of investment capital by the end of 1989. However, the cen-tral bank believed that the Government could and should take the step in the near future, even if a short extension proved necessary.

The governor said he hoped "early next year" to establish in Athens a long-awaited for m Athens a integravation foreign exchange, a move that bankers believe would force into exis-tence a much healthier interbank deposit market.



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# Bangemann hints at statute compromise

By Lucy Kellaway in Brussels

MR Martin Bangemann, commissioner for the single market, yesterday attempted to soften Britain's resistance to unpopular European com-

pany statute.

He said if the UK would agree to the statute, the Com-mission might drop its insistpassed by qualified rather than pnanimous voting

Despite Mr Bangemann's efforts there are no signs that the UK will drop its hostility to the plan, which would allow companies to register as European, at next week'social affairs council

It has argued both that conditions for worker representation should be left to national governments, and has also claimed that the directive should be subjected to single country veto - which would simply allow the UK to block

Quoting from a recent study by the British Institute of Mangers, Mr Bangemann sought to prove that UK companies are is popularly not – as believed - indifferent to negative over the directive.

According to the survey, which was based on 431 responses, 39 per cent of man-agers believe that the statute will make the operation of their European subsidiaries

directive would not impose conditions on the UK any different from those it has

The statue would be voluntary, and companies could opt for a model based on the kind of loose collective bargaining system that already exists in

# OECD agrees plan to list environmental hazards

By William Dawkins in Paris

AN INTERNATIONAL effort to catalogue the environmental hazards posed by 150 widely produced but little known chemicals was agreed yester-day by the 22 members of the Organisation for Economic Cooperation and Development.

operation and Development.

The project, which could cost up to \$200,000 for each chemical, is the first joint international effort to test and screen a large group of industrial chemicals, said the OECD. It aims by 1994 to have gathered enough scientific data on these substances to allow individual Governments to screen

them accurately for risks. The information will be dis-tributed through existing networks like the UN and International Registry of Potentially Toxic Chemicals (IRPTC).

The chemicals chosen for the roject were drawn an OECD amounts of more than 1,000 tonnes per year in at least one Enough is known about most

of them to enable environmen-tal authorities to decide whether are not they might be dangerous and should be con-trolled.

# W Germany opens inquiry into North Sea collision

By Kevin Brown, Transport Correspondent

AN INQUIRY was under way AN INQUIRY was under way in West Germany yesterday into a collision between a Danish ferry and a Japanese container ship which killed three people and injured 15.

West German police said the 14,484 deadweight tonnes (dwt) Nordie Stream garned by

(dwt) Nordic Stream, owned by Toei Marine, appeared to have struck the stern of the 3,644 deadweight tonnes Hamburg,

deanweight tonnes Hamburg, owned by DFDS.

The collision took place late on Wednesday night in Helgo-land Bay, off the West German coast. The Hamburg had just left the River Elbe on its way from Hamburg to Harwich, in the UK, with 278 passengers.

The inquiry will centre on

why the two ships were unable to avoid the accident after apparently being warned by the West German maritime the West German maritime authorities that they were on a

collision course.

DFDS said the ferry was struck above and below the waterline in the area of the ship's lounge, where people were relaxing. The Hamburg, built in 1976 and relaunched two years ago after a £1m refit, can carry more than 1,000 passengers and 400 cars. It returned to Bremerhaven er its own power. It was not in danger of capsizing because only one of its five watertight sections was damaged, police said.

# Anthony Robinson talks to Harvard economists who think Gorbachev is mistaken

MERICAN economists have long been sceptical about the chances for economic perestroika in the Soviet Union. After nearly five years of confusing zigzags, that scepticism is giving way to growing criticism of the economic policies followed by President Mikhail Gorbachev. That scepticism could fade if the very restricted devaluation of the rouble really presages the start of a new determination to adjust Soviet prices to economic realities. MERICAN economists have

nomic realities.

If so, Moscow has already been publicly assured of help from Washington. Mr James Baker, the Secretary of State, has offered to put US economists and others with practical experience of mar-kets and financial institutions at the service of the Soviet Government, whose own efforts to transform an atrowhose own efforts to transform an arrophied command economy into a mand economy appear to have run

into the sand.
Prof Marshall Goldman, associate director of Harvard's Russian Research Centre, is one veteran analyst of the Soviet economy who argues that while Mr Gorbachev "deserves credit for trying, and for surviving politically, his economic policies thus far have been a

Recalling that economic reform was the Soviet leader's original top priority, Prof Goldman notes that policy decisions taken since 1985 have disrupted an already parlous economy and led to higher inflation and lower living stan-

"Although factors outside his control, like the Chernobyl disaster, earthquakes and the collapse of oil prices, have played their part, the changes

introduced by him show either poor advice or poor judgment and have been either ambiguous or contradictory,"

Prof Goldman says.

Instead of devolving economic decision-making, earlier efforts at economic reform - which included traditional emands for harder and "more inten-ve" work, the merger of five agricultural ministries into one superministry, Gosagroprom, and a drive to improve quality by unleashing quality inspectors from Moscow — ended up by tightening rather than loosening the burden of centralised control.

The Societ leader then compounded

The Soviet leader then compounded the confusion with his ambivalent attitude to joint ventures and the fledgling co-operatives. These got off to a shaky start in 1987 after an initial ban on 'orlyateering".

Since then, co-ops have been hobbled further as free enterprise became linked in the public mind with higher prices and even greater shortages in the state

sector.
"Unlike Deng Xiaoping a decade ago,
Gorbachev has never given a clear, bold signal of his economic intentions," says Prof Goldman. "Deng clearly endorsed apitalist style enterprise and individ-

ual wealth creation.

"He told the Chinese people that he did not care about the colour of the cat 'so long as it catches mice'. He also boosted incentives through more and better consumer goods."

This compares with ambivalence in Moscow accompanied by serious errors in macroeconomic policy, Prof Goldman

"He listened to Abel Aganbegyan. Instead of giving higher priority to the

consumer he poured more money into machine tools, continuing the tradi-tional pre-eminence of heavy capital

"Rather than cutting back in this area when faced with a 30 per cent drop in oil and gas revenues, he cut food and other consumer imports instead."

other consumer imports instead.

The war on vodka and the Rbs3bn (\$4.77bn) drop in consumer imports reduced retail turnover by around Rbs10bn. This in turn cut tax revenues and contributed to the budget deficit.

The rise in this deficit from Rbs18bn in 1985 to Rbs90bn last year is "the major new destabilising element in the overall economic picture", Prof Gold-

ntil recently, the debate on the Soviet economic future among US economists centred on the relative merits of the gradual or "sequential" introduction of market methods compared to the virtues of a rapid, "cold-turkey" conversion. This debate has been given greater urgency, and the cold turkey approach

Prof Joseph Berliner, also of Harvard, argues that without a "pre-transition stage" to prepare the ground for radical changes "the system could blow a

more credibility, by the scale of eco-nomic deterioration during the Gorba-

Warning that cold turkey would lead to a sharp J-curve effect similar to the initial negative effect of currency realignments on the balance of payments, he told a recent seminar that in the present state of the Soviet economy "this could be so disruptive as to cause political and social breakdown.

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He cited the economic collapse brought about by "war Communism" in the immediate post-revolutionary Soviet Union and the US depression as examples of systemic breakdown.

"Unless the existing system is adjusted to take part of the strain of transition all the blame for high inflation, unemployment and the rest of the negative consequences will fall inevitably on the new market system, which would then simply not be able to survive," he argued. vive," he argued.

Over the objections of sceptics,

including former Socialist planners in his audience who warned of the infinite delaying powers of bureaucrats given such a chance, Prof Berliner outlined six essential features of a pre-transition

He argued that the existing centrally planned system itself must first be used to prepare the ground by eliminating the present macroeconomic distortions. These were reflected in the budget deficit and the Rbs400bn in savings accounts and cash. Retail and wholeaccounts and cash result and wholesale price reform would have to be
undertaken by the existing system to
reduce not only the huge gap between
prices and costs but also the extra gap
between the present artificially low
state prices and artificially inflated
"market" prices.
Evicting structural rigidities of both

Existing structural rigidities of both labour and capital would also have to be tackled first to allow state enterprises to shed surplus labour.

Describing the present Soviet economy as "a garden which has not been weeded for 70 years," Prof Berliner added: "It won't bear fruit until it has

# US scepticism on economy turns to criticism |Ozal asks former speaker to be new Turkish premier

TURKEY'S new President Turgut Ozal turned the tables on jockeying factions within his ruling Motherland Party (ANAP) yesterday with a sur-prise choice of premier to suc-ceed him, Mr Ylidirim Akbu-lut, formerly parliamentary speaker.

speaker. President Ozai was sworn in resident Czal was sworn in yesterday at a ceremony boycotted by the parliamentary opposition as undemocratic, in view of his deep unpopularity due to unrestrained inflation.

The 62-year-old Mr Ozal took over from one of the last yestime of militum who Provident

over from one of the last vestiges of military rule, President Kenan Evren, who as armed forces chief ordered the 1980 military coup.

In antumn 1983, Mr Ozal was first returned as premier at the head of the newly formed ANAP by an overwhelming popular vote against the military in the return to civilian rule.

Disappointed factional candi-

Disappointed factional candidates not already in the cabinet were paid-off with state ministerships.

It now is a cumbersome

group of 31 ministers with 15 state ministers. Among those left out was former education minister Mr Hasan Celai Guzel, who campaigned openly for the premiership, incurring Mr Ozal's displeasure.



Though Mr Akbulut is a moderate right winger, the cabinet took a decided tilt away from its liberals towards the "holy alliance" of right-wing nationalist and Islamic fundamentalist wings in ANAP with the inclusion of their respec-tive leaders, Mr Mustafa Tasar and Mr Mehmet Kececiler. The latter had in the past been excluded from a cabinet

post by former President Evren's secular veto. Other new state ministers from the right and fundamen-talist fringes included the president's nephew, Mr Husnu Dogan, a former agriculture minister, and Mr Vehbl Dincer-ler, another former education.

Ministers with portfolios remained unchanged, including other one-time challengers to replace Mr Ozal, Foreign Minister Mr Mesut Tilmaz, Finance & Customs Minister Mr Ehrem Pakdemiril, and Deputy Prime Minister and State Minister, Mr Ali Bozer.

Mr Akbulut was clearly chosen as a solution simed at sen as a solution aimed at defusing ANAP's factional tension – though at the last minute, according to some reports.

A founding ANAP member, he has been interior minister, and has been speaker since the last general election in 1987. last general election in 1987. He has already announced his candidacy at the congress for the party chairmanship also vacated by Mr Ozal; and the influential Mr Kecceller, his ambition for high office temporarily sated, has said he will support him.

Mr Ozal founded the Motherland Party and came to power in general elections in 1983. His supporters claim his rule rule transformed the economy and boosted exports.

But a failure to control inflation, now 73 per cent, and opposition allegations of cor-ruption eroded the Motherland's popularity to less than 15 per cent in recent polls.

### TURKISH CABINET

Akbulut Deputy Prime Minister ...... Ali State Minister. Mehmet Kececi-State Minister..... Husnu Dogan State Minister..... Gunes Taner ... Cemil Cicek .... Isin Celebi State Minister... State Minister. State Minister... Vehbi Dincerler State Minister... Mehmet Yazar

State Minister. . Ismet Ozarsian . Ercument Kamran Inan State Minister Ibrahim Ozdemir State Minister..... Mustafa Tasar

State Minister....Kemal Akkaya

State MinisterHusamettin Oruc Justice.. ...Oltan Sungurlu ... Safa Giray Abdulkadir Aksu Interior. Mesnt Yilmaz Finance and Customs..... Ekrem Pakdemirli

Avni Akyol Public Works. Cengiz Altinkaya Health. Halil Sivgin CommunicationsCengiz Tuncer Rural Affairs Lutfullah Kayalar Social Security.....Imren Aykut Industry... ...Sukru Yurur Energy and Natural Resources. Fahrettin Kurt Culture...Namik Kemal Zeybek

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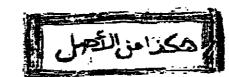
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# **Fundamentalists** show strength in Jordanian poll

By Tony Walker and Lamis Andoni in Amman

MOSLEM fundamentalists mentary election since 1967, winning up to 30 seats in the 80-member lower house in a clear confirmation of the underlying strength of the reli-

gious trend.
Moslem Brotherhood candidates, who advocated a "holy war" to liberate Palestine, have emerged as the largest single bloc in parliament with at least 19 seats. They will be supported by as many as a dozen other representatives of the

Islamic tendency.

A small number of left-wing candidates, representatives of minorities and traditional combalance of the parliament. It is the first time since political parties were banned in 1957 that Marxists will be repre-

The strong showing of militant fundamentalists is likely to present King Hussein's Govgest challenges since the impo-sition of martial law after the

1967 six-day war. Mrs Laila Sharef, a former minister of information, said yesterday she had been surprised by the extent of the fundamentalists' electoral support. She observed that it "was not going to be a picnic" for any government in its dealings

with the new parliament. Under Jordan's 1953 constitution, ministers are obliged to explain their actions to parlia-ment. The budget also requires

parliamentary approval.

The election appears to have been free and fair. Turnout at about 62 per cent of the some 1m eligible voters was lower than expected.

Most observers expect Jordan to enter a difficult and painful process of adjustment parliamentary system. Neighbouring states such as Iraq, Syria and Saudi Arabia, not noted for their democratic practices, are likely to be watching closely and perhaps apprehensively the Jordanian

Jordanians, in their speculation about the extent to which King Hussein will allow local perestroika" to develop, say he is likely to move cautiously. They do not expect an acceler-

ated process of democratisation. But neither do they expect the trend to be reversed. "As far as the democratic trend is concerned, we have reached the point of no return," said Mrs Sharef, whose late husband was prime

minister in the early 1990s. "The king understands very well the dynamics of the period and the need for more political freedom." King Hussein hastened a process of democratisation

after serious riots that swept Jordan in April this year revealed deep discontent among Jordanians over eco-nomic problems and political

flis announcement in July 1988 that he was handing notional administrative responsibility for the West Bank, seized by Israel in the 1967 war, to the Palestine Liberation Organisation opened the way for the election of a newly constituted parliament.

Before 1967 half the members of the Jordanian parliament were elected from the West Bank. Jordanian observers point out that the parliament's powers will be limited. The king is not expected to relin quish his right to appoint the

The election is expected to be followed by a review of the 1957 ban on political parties. There has been talk of drawing up a "national charter" that would provide a framework for the activities of a small number of parties.

The Moslem Brothers, who mounted a well-organised and well-funded campaign, were helped by the fact that they have long been tolerated by the Jordanian regime as a quasipolitical organisation.

Brotherhood candidates advocated the introduction of Islamic Sharia law. They also urged an inquiry into the alleged corruption of the government of Mr Zeid Rifai, the former prime minister, sacked after the April riots.

These calls are unlikely to generate much enthusiasm in the palace. King Hussein is expected to announce a new cabinet in the next few days. Prime Minister Zeid Ben Shaker is likely to be retained.

# Deng leaves the door open for hardliners

Peter Ellingsen and Colina MacDougall fear China may return to its bad old ways

THE SURPRISE resignation vesterday of Deng Xiaoping, China's 85year-old supreme leader, from the nation's most powerful job marks the formal end of a lifetime in politics and ten years of vigorous promotion of economic reform.

While he may retain influ-

ence on the course of events without an official job, his departure as chairman of the party's Central Military Commission signals the growing strength of the hardliners, several of whom have moved in to

Yang Shangkun, the conservative state president, has taken the important post of the Commission's first vice-chairman, and his younger brother Yang Baibing was promoted to be its secretary general.

This may have serious consequences for the reform process in China, already on hold for economic reasons. Without Deng to push the "open door", it could also have important repercussions on relations with western countries, since China's hardliners view foreigners with suspicion and tend to

Deng is believed to have tepped down voluntarily. though there is a remote chance that he was forced out. So far most believe that, in or out of office, Deng remains supreme ruler with ultimate China has smashed an underground escape network, arresting the country's two most wanted pro-democracy activists after more than four months on the run, a Chinese official said yesterday, Reuter reports from Hong Kong A Hong Kong Chinese citizen

was also arrested. Wang Juntao, 31, and Chen Ziming, 37, backstage organisers of the Peking student movement this year, were arrested earlier this month in southern Guangdong province according to a Communist Party central committee document, said a

control of the military and therefore the destiny of a quar-

ter of the world. His unexpected departure nevertheless seems likely to undermine the position of moderates in both the army and ruling Communist Party, mainly because the new CMC chairman, Jiang Zemin, the party's General Secretary, a moderate Deng protege, lacks clout in the military and is unlikely to be able to com-

mand the army. The announcement of Deng's resignation was accompanied by a decision to further wind back the economic reforms and milder political liberalisation that has marked Deng's period

senior Chinese official who declined to be named.

The official said Wang and Chen were caught making their way to Canton along an escape route set up by Hong Kong activists sympathetic to the democracy movement. He said the document listed 20 recent arrests and included the detentions of Wang. Chen and at least one Hong Kong Chinese after they were betrayed by a Chi-

nese contact with knowledge of the escape network.

Wang and Chen topped a

June Public Security Ministry list of China's seven most-wanted intellectuals.

as CMC chairman. In a binding resolution, the Party's central committee said the freeze on growth and construction, tight credit, and gradual re-centralisation of control, would continue for at least three years. In an effort to slash China's 20 per cent inflation, the party will move to halve growth to 6 per cent, while emphasising agricultural output and energy production and clamp down on independent business and inef-

ficient industry.
Directing that the country's economy must develop along socialist lines, the Party will effectively lower the standard of living by continuing to restrict credit and dampen

demand while telling people they must "lead a thrifty life". The process, already started, of reinstating the Party's hold over enterprise, instead of the entrepreneurial system that was emerging before June, will

go on and the wealthy coastal provinces like Guangdong, will have to give up their relative independence and fall into line. Ominously, Yang Shangkun, who coveted the CMC chairmanship, has not only retained his position but been promoted

to the post held by Zhao Ziyang, the former Party chief who was sacked for backing May's democracy protest. His brother, Yang Baibing, moves up from heading the army's political department to become the military commission's sec-retary general. The reshuffle means hardliners behind the decision to use troops to crush peaceful democracy demonstrations earlier this year are now in control of the country's

most influential body.

Though Deng sanctioned the use of heavily-armed soldiers to quell democracy rallies, he has since fought to retain eco-nomic reform and the position of some liberals in the Govern-

Dong, has had recurring health problems but as late as last week seemed lively and alert. He has talked of resigna-tion for years, but following

wanted to succeed him, it was thought the party veteran would have to stay on. Since June a bitter battle has been waged over who would become Mr Deng's successor, with both the conservative Yang, and relative newcomer, Jiang, fight-

ing for the mantle.

Though publicly the hardliners have tood the Deng line. the leadership has been privately wracked with bitter inlighting and factionalism.

Diplomats said it was too

early to say precisely what the changes would mean in the power struggle, but suggested the resignation was an apparent victory for the hardliners Still undecided is who will replace the disgraced Zhao, and his liberal ally. Hu Qili, on the ruling Politburo. Zhu Rongii, the moderate mayor of Shanghai, and Zou Jiahua, the Minister of Machine Building and Electronics, may have the support to fill the vacancies, a development which might assist Deng's 10 year-old reform agenda.

But the apparent victory for the hardliners, and the purge of moderates within the party and Government will tend to push China back toward a semi-isolationist stance, limit private enterprise, and encourage Western nations to main-tain their present economic

## China's debt standing downgraded

By Rachel Johnson

MOODY'S, the credit rating agency, vesterday downgraded China's long-term foreign currency debt in a move likely to make debt more expensive for China to sell to foreign investors and increase concern among international creditors that China may be unable to meet heavy repayment com-

Peking's policy of repression could provoke conflict worse than that of last summer, the agency said in a statement released in Hong Kong.

Mr David Levey, associate director of the sovereign risk unit, said the lower rating was a reaction to China's inability to "absorb dissent," not a com-ment on the progress of the Government's economic aus-

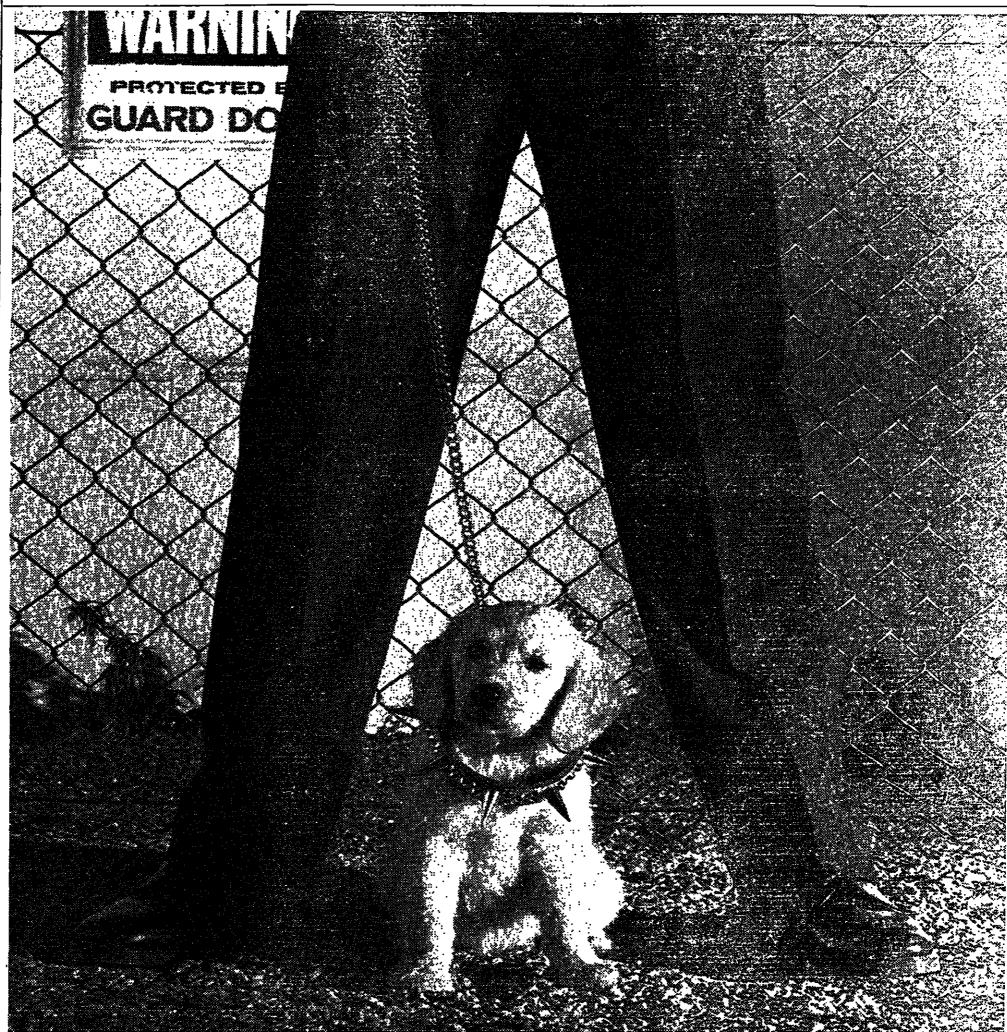
terity programme.

The country ceiling for long -term debt has been lowered a grade from A3 to Baal, the top level of the medium risk

category. Moody's said government Deutschmark bond and other securities together worth \$3.7bn, issued by the Bank of China and the China International Trust and Investment Corporation, would be

affected.

The bulk of the country's current estimated \$47bn for-eign debt is held in loans with



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# Religious faction may upset Shamir coalition

By Hugh Carnegy in Jerusalem

THE fine balance of forces through which Mr Yitzhak to pressure Mr Shamir into Shamir, the Israeli Prime Minister, has dominated his fractious coalition government since it was set up last Decem-ber has been upset by the deci-sion of one of four religious parties to pull out of the partnersbip.

The move on Tuesday night by Agudat Israel, an ultra-orthodox party involved in the "Who is a Jew?" row which embroiled Mr Shamir during his efforts to establish the Government, does not immediately threaten the stability of the coalition, which is dominated by the premier's right-wing Likud Party and the Labour Party and which continues to bind all but 27 of the 120 mem-

bers of the Knesset.

However, it raises the possibility – at least mathematically - that Labour could form a Government of its own in partnership with Aguda, another religious group and a number of left-wing parties and Arab MPs. Mr Shimon Peres, the Labour leader, has been courting Aguda recently

engaging in peace talks with the Palestinians. He openly welcomed the Aguda move.
Aguda's five MPs - after
instructions from their reli-

gious mentors, the Council of Torah Sages – accused Likud of failing to fulfil promises on a number of mainly religious issues. But they pledged not to enter talks with Labour, which angry Likud ministers blamed for the action, for two months to give Mr Shamir time to

A tie-up with Labour on the face is unlikely. Mr Shamir race is unlikely. Mr Snamir pulled back from forging a nar-row coalition with Aguda and other religious parties last year after huge protests, many from American Jewry, over their demands for legislation limit-ing the state's recognition of

Jewish converts to those converted by orthodox rabbis.

But the religious parties have also since backed off the issue and Mr Shamir's aides admit they are concerned by the tilt in Mr Peres's favour implied by Aguda's departure.

## French fund to guarantee industrial loans in Africa

By Mark Huband in Yamoussoukro, Ivory Coast

THE French Government is to establish a fund to guarantee medium and long-term industrial investment loans to African and French companies

DES.

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operating in Africa.
Mr Jacques Pelettier, the
French Minister of Co-operation and Development,
announced the creation of the fund at a conference taking place in Yamoussoukro this week on the future of trade relations between Africa and Europe after 1992. The conference was jointly organised by the Versailles and Ivory Coast

Chambers of Commerce. The scheme, to be financed by the French Government's Central Co-operation and Development Fund (CCCE) and administered by the Ministry of Co-operation and Development, will encourage the competitiveness of the private sector by establishing lines of credit to industries whose access to loans is hampered by the severe liquidity problems faced by many African banks. The value of the fund will be announced on November 16.

Greater access to credit will, it is hoped, help prepare private sector companies for the

more competitive market conditions which are expected to follow the establishment of the European single market in 1992. The scheme is being launched against a background of growing doubts about the capacity of African business to cope with strengthened Euro-

pean competition. The fund will be operational in all African countries by April 1990, though most of the resulting investment is expec-ted to be in the francophone areas of West and Central

Mr Pelettier told delegates drawn from the West African business community: "It is evident to me that France's friends in Africa, in order to benefit from the European market, must create favourable conditions for European enterprise." African countries must become more competitive and prepare for the changes ahead,

The creation of the fund is one of several initiatives France intends to take to reinforce its role in African economies. Mr Pelettier said although he did say what these

Australian

have failed'

AUSTRALIAN policies to

improve the competitiveness of

its manufacturing sector and

reduce the balance of pay-

ments deficit are a failure and

may never work, according to

a highly critical report for the Australian Manufacturing

The gloomy report, released

esterday, is a blow for the

Labor Party Government.

manufacturing sector a corner-stone of economic policy. But it

does not recommend a reversion to protection and govern-

According to the report, pro-duced by consultants Pappas Carter Evans and Koop, Aus-

tralia's total exports of non-re-

source based manufactures

amount to only A53bn-A54bn (£1.49bn-£1.99bn), consisting

largely of steel, scrap metal and car and computer industry

exports. Only a handful of com-

panies export more than

in its view, manufacturing has not only failed to respond to the increased exposure to

competitive forces - the so-called "level playing field" argument - it also faces com-

petitive disadvantages which

are so considerable that the

hoped-for export resurgence

But it is not simply Austra

lia's protectionist past, its unions or its management

which are to blame. The dis-

advantages of operating in a small and tragmented market

located at great distances from major world markets and of a

commodity-driven currency are

enormous hurdles to ever-

trating northern hemisphere markets results in volumes

that dwarf those required at

home, leading inexorably to pressure to move manufacturing offshore."

Manufacturing is nevertheless a vital part of the economy, accounting for around 18 per cent of grove domestic.

per cent of gross domestic product. If a further decline was allowed to occur, the

report says, "it seems highly unlikely that tourism or the

come," the report argues.

ment intervention.

AS30m each year.

may not occur.

industry

policies

By Chris Sherwoli

in Sydney

By David Housego in Ayodhya

MILITANT Hindus triumphantly carried through their plans yesterday to lay the foundation of a new temple here after receiving a tacit go-ahead from the Government of Prime Minister Rajiv Gandhi. In what is seen as a calculated

decision to exploit the growing Hindu revivalist movement to win votes for the ruling Congress Party in the coming general election, the Government bowed to pressure from Hindu fundamentalists to site the new temple on land claimed by Mos-

The Government's yielding over the issue dismayed Moslems, who to believe by Mr Buta Singh, the Home Minister, that the Government would not allow the laying of a foun-dation stone on disputed land next to the Babri Masjid Mosque. It could also prompt hostile reactions from the Moslem world, which has been closely following the Government's

stand. Mr V P Singh, the opposition leader, who earlier had announced that he would visit Ayothya yester-day in a final effort at mediation, found on his arrival that he had been stymied, as the ceremonies had already begun on the site chosen by Hindu militants. Visibly embar-rassed, he called off a public meeting he had planned and demanded that the Government should make clear whether or not they had approved plans for the new temple that would displace the existing mosque.

The Vishwa Hindu Parishad, the fundamentalist organisation that has led the campaign for the new

temple, said yesterday that the laying of the foundation stone marked the "nation's invincible resolve to do away with 450 years of stigma of foreign [Moslem] domination" over

the Ayodhya shrine. Hindus believe that the Babri Mosque was built in the 16th century on the site of an ancient Hindu temple that commemorated the birthplace of Lord Rama, a leading Hindu deity. The VHP wants to replace the mosque with a Hindu temple, and is demanding that two other mosques in northern India should also be handed over to Hin-

In a clear indication of the VHP's determination to do away with the Babri Mosque, Mr Ashok Singhal, the organisation's secretary, said yesterday that "the entire structure can be lifted and honourably lifted" to another place to make way for the

As police mounted heavy guard while preparations were made for laying the foundation stone - the proposed gateway to the tem-ple - 192 feet from the mosque, Mr Singhal confirmed that the Government "have not obstructed us in this foundation stone laying". The holiest point of the new temple will lie virtually at the centre of the existing

The go-ahead for the ceremonies on the controversial site appears to have come in a meeting late on Wednesday between Mr Buta Singh and the VHP in which he indicated that the Government would not object if the foundation stone was laid on judicially undisputed land.

Earlier, the High Court had said that the foundation stone should not be laid on land disputed with Moslems. Mr Buta Singh had encouraged Mos-lems to believe it would be laid fur-

ther away.

Saddhus (Hindu saints), wearing saffron robes, said prayers after the foundation ceremony to the accom-paniment of the blowing of conches and the throwing of flowers and grain. Pilgrims in large numbers were marshalled by police through the heavily guarded mosque in which a statue of Lord Rama and a Hindu shrine has been placed. As they moved in procession

Hindu militants chanted slogans such as: "We are Ram's children, we will liberate his birthplace" and "We will build the temple of Ram' The first indication that Prime

Minister Rajiv Gandhi would show sympathy for the militants came last week when he opened his election campaign at Faizabad near here. He there spoke approvingly of "Ram Rajya" (Ram's rule).

In terms of election strategy. Mr Gandhi thus seems to be repeating the "Hindu card" he successfully played in the 1984 election in the wake of his mother's assassination. while trying not to alienate Moslems. He would hope to achieve the latter goal by protecting them from

further violence. The foundation-stone-laying ceremonies at Ayodhya end today with a ceremony in which Hindus from all over the world are being asked to turn towards Ayodhya and cast flowers to commemorate the start of work on the tempola

# Councii. which has made improved export competitiveness in the

# NTR struggles to hide political wrinkles under his make-up

India's idol actor-turned-politician has lost none of his flamboyance, but some of his magic, writes K K Sharma

R NT Rama Rao, Chief Minister of the south Indian state of Andhra, has lost none of the flamboyance with which he entranced cinema audiences for more than 30 years until his Telugu Desam party swept the Congress Party out of

power in 1983. Clad in the saffron robes he wore for the religious roles he excelled in, Mr Rama Rao, or NTR as he is popularly known, is at his histrionic best on the campaign trail in his home state. His forehead smeared with sandalwood paste and vermilion, wearing his jet black hair long, the Telugu leader trundles the road in a chariot specially made to conjure a religious presence.

On the rough, bumpy roads of Nellore district in the politically-important coastal areas of Andhra, the tune of Maa Talliki malle poonda (jasmine garlands for our mother Telugu)



signals the arrival of Mr Rama Rao's caravan, led by his own chariot, the Chaitanya Ratham, which he first used to propel himself to power in

The 23 rathams, or chariots, specially made for each of Andhra's districts that the charismatic leader will use for campaigning, are covered with hoardings depicting Mr Rama Rao as the sage, Visvaitra, a role which he is actually enacting in an incomplete film in his

studio in Hyderabad, capital of Andhra. At the rear of the ratham is a huge cutout of Mr Rama Rao in the garb of the god Krishna, blowing a conch. Then Mr Rama Rao begins a short speech blared through megaphones, bitterly attacking Mr Rajiv Gandhi as a "traitor who sold the country's self-re-spect". He eulogises his own achievements as chief minister in the last six and a half years as ecstatic followers lead the applause by an audience of several thousand semi-naked

villagers. Mr Rama Rao humbly salutes the villagers before the caravan moves on to the next election meeting and more applause.

However, the crowds are smaller now than they were five years ago, and not so rap-turous. Observers who have been Rama Rao watchers since he took over as chief minister on a platform of Telugu nation-

ARE YOUR

alism note that something of the old magic has been lost over the years.

Mr Rama Rao is 68 and

shows his years. No longer is he the swashbuckling hero that made him the matinee idol of the Telugu people. He now has a paunch he cannot hide, his jowls sag and his forehead is furrowed under the sandalwood paste.

The actor-turned-politician has reason to worry. Just a few days ago, Mr Gandhi flew in and out of Andhra to speak to mammoth audiences. Mr Rama Rao's followers speak darkly of the "Congress Party's money power" and it is true that, as in the rest of the country, crowds are not difficult to muster.

The Congress, after all, ruled Andhra for nearly 40 years before 1983 and still has a smooth, well-oiled organisa-tional base that is just about starting its campaign not only to increase its strength in the



Lok Sabha (lower house of par-liament) from Andhra but to try to capture power in the

state itself. Even Mr Rama Rao's followers grudgingly concede a cer-tain tarnishing, not least

because of charges of corruption and favours to members of his family and caste. His Tel-ugu Desam will probably still scrape through to give him another five years as chief minister, but the Congress is widely expected to gain in strength both in the state assembly and in parliament.

Congress leaders such as Mr Chenna Reddy, the party's 70-year-old state president and a former chief minister, point with satisfaction to the response from the people to corruption charges against Mr

Rama Rao. Even more evocative is the allegation that he has favoured people of his own Kamma caste at the cost of their traditional

rivals, the Kappas.

Mr Rama Rao uses as his trump card the populist

obtain subsidised rice and clothes, as well as a housebuilding programme for low-in-come groups. Several million have benefited from these and the reservation of jobs for certain poorer castes, property rights for women, easy loans to farmers and the decentralisation of power that anticipated Mr Gandhi's own scheme to "give power to the people".

Andhra is one of four states where local assembly elections are being held with the national parliamentary poll. Mr Rama Rao is leading the National Front of opposition parties trying to dislodge Mr Gandhi.

By the end of this week, his colourful campaign in his home state will be mostly over. He will then leave the rest to his lieutenants while he moves on to the national stage and a bigger role canvassing support for candidates of other constit-uents of the National Front.

# schemes he has successfully implemented. These include the "green card" scheme, under which poor people

By Maggie Ford in Secul

GUARDED efforts are being made to improve relations and open economic links between North Korea and Western countries, in parallel with South Korea's policy of establishing relations with the East-

ern bloc.
A flurry of diplomatic meetings between US and North Korean diplomats in Peking to Pyongyang of Mr Gaston Sigur, former US Assistant Secretary of State. US officials say the meetings with the North have been useful, but so far they see no big change in

Pyongyang's policy. The US says a real improve-ment in relations requires that North Korea renounce terrorism, return the remains of missing Americans killed in the Korean war, hold meaningful talks with South Korea and undertake military confidencebuilding measures. Almost 1m troops, including 43,000 Americans, face each other across the demilitarised zone dividing

the two Koreas. In contrast, on the economic front there are signs of prog-ress, says a visiting group of West German businessmen who were recently given a warm, welcome in Pyongyang. Senior North Korean officials told the West Germans they were keen to attract foreign investment in high technology, especially in metal and mineral processing, power stations, and aluminium processing, and

South Korean companies are sending delegations of senior trade union leaders on study tours to Eastern and Western Europe in an attempt to encourage better labour rela-

A team of 20 union leaders from the Daewoo shipbuild-ing subsidiary is to visit the Lenin shipyard in Gdansk to meet union leaders in advance of Mr Lech Walesa's visit to Seoul next month.

In addition representatives from trade unions at five motor companies are to visit France and Italy and the Labour Ministry may send a delegation to China.

were prepared to resume interest payments soon on foreign

North Korea owes \$900m (£570m) to Western banks and has not paid interest for two years. The delegation said North Korea was likely to resume payments once it had finished funding the construc-tion of Olympic sports facilities. Pyongyang spent up to \$50n on construction of Olym-pic sports facilities and hotels, used, in the end, not for the 1988 summer games held in Seoul but for a socialist youth

festival last July.
The West German delegation said North Korea's total trade amounted to \$4bn, roughly in balance, of which \$100m was with West Germany.

N Korea begins to peep out of its shell

> export of services such as edu-cation could ever fill the eco-nomic gap". Phnom Penh welcomes UK envoy's visit

By Roger Matthews in Bangkok

in 14 years.

THE Vietnamese-backed government in Cambodia gave a swift welcome yesterday to the announcement by Mr Douglas Hurd, the British Foreign Secretary, that a British diplomat would soon visit Phnom Penh for the first time

There was also approval for Britain's acknowledgement that Vietnamese troops had been withdrawn in September and its willingness to channel aid directly into Cambodia, through charitable agencies. Mr Hurd's announcement is

however, likely to be greeted with anxiety by others. Mr Lee Kuan Yew, Singapore's Prime Minister, in particular fears that Vietnam will score a diplomatic coup if it can convince Western nations that the only choice in Cambodia is between the regime it has installed and the dreaded Khmer Rouge.

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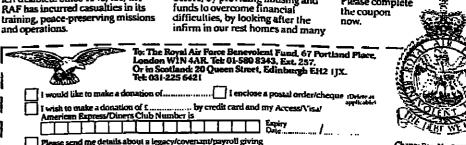
brave acts, but he won his DFM for his part in the Battle of Britain. Now he's been in the wars himself, he says it's the RAF Benevolent Fund that really deserves a medal.

Over 70,000 RAF men and women died for our country during the last War. Many thousands more, were left disabled. Since 1945, too, the RAF has incurred casualties in its

helping past and present RAF members of all ranks, their widows and children. In 1988, over 15,000 increases that figure annually. Where does the money go? To helping families maintain a semblance of the life they had

people benefitted from grants of £8.5 million. Inflation and old age before, by providing housing and funds to overcome financial

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### **AMERICAN NEWS**

In a speech inaugurating a building materials factory out-side Havana this week, he said,

thinking aloud in his custom-

ary manner. "We are witnessing sad things in other socialist

countries, very sad things.... We are astonished at the phe-nomenon that we see... I

think this is the moment to

speak ... what incredible things!"

know what consequences these phenomena in many socialist countries will have, what direct effects they will have on

our plans, our programme and our economy... Along this path, if the socialist states do not resolve their problems, we could have very serious diffi-

He went on: "We do not

# Price index for finished goods slightly higher

THE US producer price index • Legislation to reduce the US for finished goods rose 0.4 per cent in October, but nearly all the rise was due to a 1.2 per cent jump in the prices of pro-cessed foods, which had fallen by 0.6 per cent in the previous

The index net of foods and energy rose only 0.1 per cent, and the bond market rose slightly on the news. The indices for crude goods and intermediate goods, both pointers to future cost increases at later stages of production, were

These indices have fluctuated round the same level March. The consumer goods index rose only 0.2 per cent, aided by a relapse in car prices. Price increases for 1990 models raised car prices by 3.8 per cent in September, season-ally adjusted, but in October prices fell back by 1.4 per cent. The low level of car sales, and a very low \$0.6m increase

in consumer credit in October, are though to have been strong influences in persauding the Federal Reserve to relax monetary policy. The subdued per-formance of prices will confirm that judgement.

budget deficit moved a stage nearer yesterday as negotiators from the House of Representa-tives agreed to drop the pro-posed cut in capital gains tax from discussions with the Sen-ate, Peter Riddell adds from This results from last week's

agreement by President George Bush not to press a capital gains tax cut at present, to permit early approval of an increase in the federal debt ceiling to \$3.12 trillion (million million), signed by Mr Bush on Wednesday, and of a deficit reduction measure.

However, argument continues about the latter bill even without an immediate capital gains tax cut. Mr Bush has insisted that it should be without extraneous provisions, and should genuinely cut the deficit by \$14bn.

While the Senate version is relatively "clean", the House version includes the extension of tax credits for low-income housing, and for research and development to be financed by speeding up the collection of payroll tax deductions from large corporations.

# Brazil faces | Castro feels E Europe's winds of change surge in wage claims

By Ivo Dawnay in

BRAZIL faces a rash of damaging public sector wage claims following a ruling by the country's Supreme Labour Court that the Banco do Brasil must pay a 152 per cent pay award. The decision not only means that 138,000 workers at the state-owned bank will receive substantial increases, but that similarly employed government workers have a strong case for the rise.

Negotiators for thousands of national savings bank (CEF) and central bank staff are expected to table demands immediately. They are likely to be followed by civil ser-vants and state industry

Mr Mailson da Nobrega, the Finance Minister, warned when the original award was approved by a lower court that the consequences of payment could devastate government budgets and fuel inflation. After losing the appeal, the Treasury could find the government's total salary bill ris-ing from NCz17bn to NCz37bn (about \$7.4bn at official

exchange rates) according to one report yesterday. culties."
Although he avoided menwith revenue income exhausted, that money can now only be found from raising the government's debt. tioning any country by name, he cited strikes in Eastern Europe as the kind of incidents which that could have a nega-

RESIDENT Fidel Castro has voiced in public his concern that the fact tive impact on Cuba. Strikes could delay the supply of vital equipment and material, he concern that the fast-

changing events in Eastern Europe will have a negative The Cuban leader is reported impact on the Cuban economy. The Soviet Union and the to be particularly shaken by the sweeping changes overtak-ing East Germany. The latter countries of Eastern Europe has been a key supplier of tech-nical aid since Cuba joined Comecon in 1972 and President account for more than 85 per cent of Cuba's trade, making the Cuban economy highly vulnerable to political upheavals and economic changes within Comecon, the Soviet-led trade Castro has always admired the East Germans as bastions of Marxist orthodoxy.

Since 1986, when lack of foreign exchange obliged Cuba to halt the service on debt con-tracted with Western governments and commercial banks, the flow of hard currency credit has dried up. As a result Cuba has become even more dependent upon its Comecon

In the past eight years, Cuba's dependence on the Soviet Union has risen, with its proportion of total trade with Moscow rising to nearly 75 per cent from 60 per cent. Almost 90 per cent of its total trade is with socialist countries, up from 74 per cent.
If there is disruption in sup-

plies or pricing policy changes within Comecon, Cuba has vir-tually no alternative source to tap. Hard currency reserves at the end of June were \$87m, of which \$69m was in cash covering less than six weeks' imports from capitalist coun-

President George Bush's administration in Washington appears content to observe President Castro's difficulties without proposing a rapprochement. This means that the 28-year-old US trade embargo against Cuba is unlikely to be removed in the foreseeable

At the same time, Cuba's talks with the Paris Club of official creditors on a debt deal

are stalled. According to the latest bulletin of the Cuban central bank, foreign hard currency debt during the first quarter of 1989 increased 6 per

cent to \$6.77bn.

The sole bright spot in the economic picture has been a record sugar harvest of 8.2m tonnes in 1988/89. Sugar accounts for 25 per cent of total production and the commodi-

ty's performance offset the

Cuba's dependent economy is now more vulnerable than ever, writes Robert Graham overall decline in industrial output and allowed the economy a modest 0.5 per cent growth during the first quar-

The Soviet Union continues to pay Cuba a guaranteed price equivalent to 36-37 cents a pound for almost 60 per cent of total sugar exports. Such a subsidy, though guaranteed through 1990, could also be in question if events pursue their

course in the Soviet Union.

All this puts the Cuban leadership under further pressure when it has still not fully recovered from the sensational trial and execution in July of four senior military figures for involvement in drug-trafficking with the Colombian maña. This scandal led to a big shake-up of top posts within the government and left Presi-dent Castro isolated from all save his brother, Raul, the Defence Minister.

His isolation is now accentu-ated by his refusal to countenance any opening up of Cuba's one-party state, pre-cisely because it might call in question his own role. For him, Marx has shown the way to emerge from pre-history by ending man's exploitation of

man.
"We have entered history," he said, opening a school last month. "If others want to return to pre-history, it's up to

# Amnesty offer in return for cut in Contra army

By Tim Coone in Managua

NICARAGUAN Government has promised a total amnesty for all remaining Contra prisoners held in its jails, in return for a minimum 50 per cent demobilisation of the 12,000-strong Contra army and the release of all military and civilian prisoners held by the Contras.

The Government is also promising economic assistence to repatriated demobilised rebels and their families, and for the United Nations to super-vise the repatriation process to guarantee the safety of the returning Contras.

The total amnesty and security guarantees have been key negotiating demands of the Contras in the past.

The proposals are among a

number being presented yes-terday and today by the gov-ernment to Contra leaders at the United Nations in New York.

The Government hopes to persuade them to accept the Central American peace plan agreed by the region's five presidents last August, which calls for the Contras' demobi-

lisation by Dec 5. Rebel hardline have so far refused to accept the plan but agreed to talks at the UN after the Government decided last week to suspend a 19-month unilateral ceasefire. President Daniel Ortega threatened last weekend to 'exterminate" those Contras that do not accede to the demohilisation plan by the deadline. In recent weeks, the Contras

have doubled the number of their troops operating inside Nicaragua to over 4,000. They have also stepped up their ambushes and hit-and-run operations in the mountain regions of the country in the build-up to next February's

general elections.
With the end of the ceasefire, however, those troops may now be trapped inside Nicara-gua with their escape routes to Honduras cut off and a major

military offensive about to be launched against them.
One of the proposals of the government is that these troops be allowed to return to their landscape and the second of the second o their Honduran sanctuaries by agreed routes, but where they must be disarmed and can then be repatriated under the demo-

hilisation plan.
Passports are being offered to those not wishing to return

to Nicaragua.
The UN talks are also being attended by the International Support and Verification Comssion of the UN(CIAV), the body set up as a result of last August's Central American sidential summit, and by the Nicaraguan archbishop Monsignor Obando y Bravo who has mediated in previous face-to-face talks between the

The talks are due to finish today, but the government has said it is prepared to extend them if it seems likely that a definitive agreement on the demobilisation plan can be

government and Contra lead-

# **US 'risks dependence on** Japanese electronics'

nology.

By Lionel Barber in Washington THE US risks being almost US companies and in US acatotally dependent on Japanese electronics and other key equipment by the year 2000, Mr Donald Atwood, Deputy Secretary of Defence, said in a warning about the continuing decline in America's industrial

Mr Atwood, a former senior General Motors executive, said the US was losing world leadership in areas vital to national security, from machine tools and machining centres to memory devices and micro-

electronics. Speaking to an audience of officials and businessmen on Capitol Hill this week, Atwood said Japan posed the greatest threat. He also voiced concern about economic integration in Europe which, he said, "is likely to produce a more competitive European defence industry.

Mr Atwood said the Penta-gon - which purchases goods from more than 250,000 companies in more than 215 indus-tries – had a legitimate interest in the industrial base. But its role in improving the performance of US industry could - and should - only be mar-

Mr Atwood said the US needed to improve the education system; relax anti-trust laws which impede co-operative research and joint manufacturing for US companies; and "relieve any tax burden on US industry which is not shared by foreign firms that

sell in the US. The focus however was on Japanese competition in hightechnology products. Japanese companies were outinvesting US companies in semiconductor research by a factor of 2-1, is insufficient, they invest in demic research to obtain tech-

Concern about Japanese economic power is not new in the US. Increasingly, however, officials, politicians, academics and industralists are starting to link it to the question of US national security.

At this week's Capitol Hill seminar, sponsored by the con-servative National Forum Foundation, several speakers suggested that Japan rather than the Soviet Union could pose in future a potential security threat to the US.

Mr Samuel Herrell, president of the semiconductor equipment manufacturers group which supplies Sematech, the research consortium, said Jap anese "economic warfare was driving his members out of business or forcing them to

ierge." Mr Herrell, a former senior executive at Texas Instru-ments, said that 62 out his original 140 members had either been sold, merged or undergone consolidation since 1987. Some 16 companies had been forced to seek capital from Jap-anese banks after US banks turned them down "because the Japanese have let it be known that you can't make

money (in this area)."

Mr Herrell said he was not anti-Japanese; he had done business with Japan for 25 years and had married a Japanese. But he quoted from the new book "The Japan that can Say No" by Mr Akio Morita, Sony chairman, and Mr Shin Ishihara, former Trans port minister, which at one point speculates how the Japanese sale of chips to the Sovibalance of military power.



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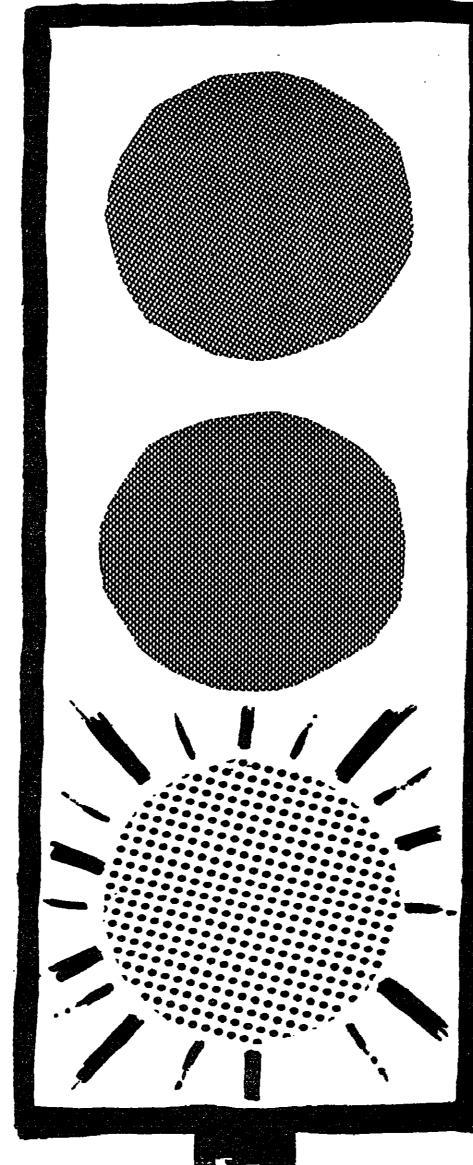
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### **WORLD TRADE NEWS**

# US trade links with east Asia declining. economists report

By Peter Ungphakorn in Bangkok

TRADE links between the United States and east and south-east Asian countries are weakening, according to a report by a team of Asian econ-

The findings are likely to prove controversial, not least because they conflict with Washington's argument that the US and Canada are drawing closer economically to the west Pacific countries.

argument to justify North American participation in this week's Canberra ministerial

meeting on Asia Pacific Eco-nomic Co-operation.

The economists are Dr Fu-Chen Lo of the Kuala Lumpurbased Asia Pacific Development Centre, Mr Yoichi Nakamura of the Economic Planning Agency of Japan, and Prof Song Byung-Nak of Seoul National University. Their report was presented at the third conference on The Future of Asia Pacific Economies, being held in Bangkok.

Using sophisticated techniques to calculate trade and investment interdependency,

the three conclude that "the integration of the US economy in the Pacific region ... was not only limited but declined by about 30 per cent from 1975

a shift in Pacific trade proportionately away from a weaker US economy. Trade within east Asia will expand and become more balanced. Relations with Australia and New Zealand are regarded as insignificant.

At present Japan, the four Asian newly-industrialising economies and the members of the Association of South East Asian Nations trade less among themselves than they do with North America and

Three main, inter-linked areas will make up the agenda in Paris. No part of the pack-The three economists foresee more balanced relationships in the region. Expanding domes-tic demand in Japan will draw more imports from the region and the increased investment already taking place will reduce regional inequalities,

# They predict that the process will continue in the 1990s, with

Europe. Japan, Taiwan and South Korea also invest more outside the region than inside.

in Paris. No part of the package can be regarded as complete until agreement on all of them is reached.

The first is mixed credits to which the IS attaches the greatest priority but where reform is likely to be resisted by Japan because of its extensive business interests in the developing countries of Asia.

Though detailed figures are not published, the use of mixed credits has continued to grow since a previous OECD agreement in 1987, and it is gener-

HE WORLD'S leading industrial nations are to

to curb the growth of a prac-

tice which some argue distorts trade, leads to subsidy wars

and diverts aid away from the

countries that need it most.

The talks, at the Organisa-

tion for Economic Co-operation and Development in Paris, are

aimed at agreeing new rules on the use of mixed credits

whereby governments or state-backed agencies sweeten export credits with aid to make their countries' exports cheaper and more attractive to Third World buyers.

Other key areas of export

credit finance will also be raised, including the subsidies that are routinely paid on interest rates charged to devel-

oping countries.

meet on Monday to try

## ally accepted that aid has been diverted away from poor countries to commercially attrac-

tive markets. The talks will cover both the need for further curbs and technical ways of implementing them. Both aspects are likely to prove controversial. Second is interest rate subsi-

### The US has an edge because its banks can fund export credits at rates lower than export credit agencies

dies, which have long been legal under OECD rules pro-vided they do not push the rates paid by borrowers below generally accepted minimum levels. These were banned for loans to rich countries in the 1987 agreement and the aim now is to extend this here to now is to extend this ban to middle income countries such as Hungary; Thailand and Mexico, while reducing or even eliminating subsidies on loans to poor countries such as India, China and Indonesia.

Commercial bankers say they expect such changes to be agreed eventually and this will make their work much harder because they will come under increasing pressure to develop increasing pressure to develop market-related financial engi-

neering techniques to produce low borrowing costs for countries that have previously been used to receiving subsidies.

Third is special sectoral rules for agriculture and steel. European Community countries want new disciplines to be applied to US commodity credits which are used to finance sales of farm products to developing countries and currently fall outside the OECD rules.

This is one concession they are likely to demand in exchange for agreement to curb mixed credits and it introduces a link between these talks and the Uruguay Round of multilateral trade negotiations in Geneva.

In return the US is expected to revive its long-standing demand for curbs on export credits to finance steel plants in the developing world because this is a product in chronic over-supply. Such a demand is likely to be firmly resisted by both Japan and West Germany. West Germany.

The European Community is also seeking a change in the formula used to calculate the market reference rate for export credits which are financed in dollars.
This counts as the lowes

possible interest rate on unsub-sidised loans and is widely regarded as too high because it uses a margin of 1.3 percentage

points above government bond yields, instead of the more normal 1 percentage point. Europeans say this gives the US an unfair competitive edge because US banks can fund export credits in the market at rates lower than their export credit agencies are able to offer. A similar, but less perva-

### At the moment the only point on which all are agreed is that an alternative to the present system will have to be found

sive controversy applies to loans in Swiss Francs.

The strength of feeling over matters as technical as these matters as teconical as these underline the likelihood that the talks will be long and hard. Even when the principle of further discipline on mixed credits is agreed, there is likely to be strong technical controversy over the way this should be selvered.

At the moment just about the only point on which all are agreed is that an alternative will have to be found to the previous mechanism of making such credits more expensive by setting a high minimum grant

Among the possible alternatives are; making some sectors

### OECD to confront growth in aid for trade group wins Peter Montagnon on a call for new rules to curb distortion through mixed credits pipelay deal and some better-off countries ineligible for mixed credits, for cing lenders to open up mixed credit projects to international competitive bidding so that the aid involved is untied, limiting

the share of aid budgets that

can be applied to mixed credits

and devising more general rules to ensure that they only

go to projects with genuine

nt value.

Meanwhile, another feature of the meeting is that it will

include a special session devoted to informal discussion of the problem with the export credit agencies of four newly-

industrialising economies -

Hongkong, Singapore, Taiwan and South Korea. The last two

in particular have growing aid budgets and any new rules will require their co-operation to be

There is, however, some wariness about inviting these agencies to join the OECD consensus on export credits. One

difficulty is that with expanded membership it would be diffi-cult to know where to draw the

For example, Korean membership might prompt a demand from Brazil to be

allowed to join the group. Like South Korea, Brazil is a large exporter but it is also a poten-

loans and in any future discussion it would thus have a par-

tial beneficiary of conce

ticular axe to grind.

effective.

By Karen Fossii in Oslo

**UK-Italian** 

STATOIL, Norway's state oil company, yesterday awarded a NKr2bn (£182m) submarine pipelay contract to European Marine Contractors, a company jointly owned by Italy's Saipem, a marine and engineering contractor, and Brown and Root UK.

The contract calls for the submarine construction of two gas pipelines: an 806km, 40-inch-diameter pipeline from the Sleipner A platform in the Norwegian North Sea to Zee-brugge, Belgium, and a 40km, 30-luch-diameter pipeline which will connect the same platform to the 16/11-S riser platform, which is located midway along the pipeline

route to Zeebrugge.

The contract comprises the construction of the first phase of the so-called "Zeepipe" transport system, which is to be operational in 1993, when natural gas deliveries from Norway to a consortium of European buyers commences.

Norway's Defence Ministry said it had awarded a NKr2bn contract for the building of nine minesweepers to Baatser vice Marine, a unit controlled by Norwegian engineering company, Kvaerner A/S, Reuter reports from Oslo. The con-tract also included the option to build one more.

# Western-Soviet plan to develop gas fields

THE FIRST Western-Soviet jointly-operated offshore gas fields in the Soviet Barents Sea could come on stream by the end of the 1990s if studies about to be initiated determine that development construction can begin early in the next

The Soviet Union is reported to have made five natural gas discoveries and identified 19 additional structures in the Barents Sea since exploratory drilling began in 1982. In August, Soviet officials

visiting Norway gave details of two big offshore gas fields, believed to be the world's largest, discovered in the Barents and Kara Seas. Shtockmanovskaya, the larger of the two, is believed to be in the range of 3 to 4 trillion (million million)

During the next few weeks the Soviet Union is to sign a letter of intent with a group of Western companies comprising Norway's Norsk Hydro, Conoco Norway - the Norwegian unit of the US-based Conoco - and Finnish companies, Imatran: Volma Oy, Neste Oy and Wartsila Ab, for a study to be undertaken to determine tech-

The feasibility study is meant to be completed by the end of next year. If its outcome underpins the viability of developing Soviet offshore gas fields, negotiations thereafter will seek to establish joint venture projects between the group of Western companies

and the Soviets. However, existence of sufficient markets and the develop-ment of the price of natural gas will play a central role in the economy of the project. Trade between Norway and

the Soviet Union in 1988 reached NKr896m (SMm) and this year to July total trade reached NKr555m, primarily due to supply of paper and

pulp.

The Export Council of Norway, however, is optimistic that this could double within two to three years when Norway could increase its supply of technical products such as

Norsk Hydro, Norway's largest publicly quoted company, which is 51 per cent state-owned established an office in Moscow a year ago and has already signed an agreement to explore areas of co-operation in offshore industry servicing.

# Columbus landfall promises windfall

By Gordon Cramb in Providenciales, Turks and Caicos

THE TURKS and Caicos Islands, a small scrubland clus-ter in the British West Indies, is seeking to create an artifi-cial adventure "theme port" in a \$535m private sector plan which would mark the quin-centenary of Columbus's nearby landfall in 1492.

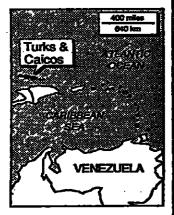
It might also help bury a decade which has been marked by rather less noble endea-vours on the part of prominent local politicians.

Government ministers have given outline approval for the proposal, which would be the colony's higgest ever develop-ment. If successful it would transform the fortunes of the TCI, which has a population of some 13,000, no local agriculture or manufacturing, and reaps annual government revenues of barely \$20m before UK

The territory has an already growing tourist business, but efforts to nurture an offshore financial centre were set back by a series of scandals in the mid-1980s which implicated senior elected officials in the drugs trade, incitement to arson, and the misuse of public

The scheme would cover some 4,000 acres and is aimed at attracting cruise ships plying the increasingly busy Caribbean routes from Miami. It also involves dredging the TCI's first deep-water port and building a road which will link a large part of the island chain. A rum cocktail of finance includes the issue of bonds offering residence rights, and the extraction of aragonit ultra-fine sea sand used in cement, paint and plastics manufacture as well as in coal-burning electricity plants to limit the exhaust emi which cause acid rain.

The proposal has been put forward by Mr Liam Maguire, a British-born entrepreneur and former TCI government minister who is now based in California. Its main ingredients are: ■ Creating a Caicos Port Authority as a \$100m joint venture between the local government, which would own 60 per cent through contributing land and development rights, and private investors whose finan-cial infusion would give them



the remainder of the com ■ Issuing port authority bonds in denominations of \$250,000 the sum which ordinarily qualifies an overseas investor to become a resident of the taxfree islands. This has been designed to appeal particularly to Hong Kong businessmen worried over 1997.

■ Digging a deep harbour between South Caicos and East Caicos, two islands which lie between Grand Turk, the capital, and Providenciales, pres-ently the main tourist resort. ■ Selling the aragonite this yields to US electric utilities and other customers, while using harder material from the seabed as landfill.

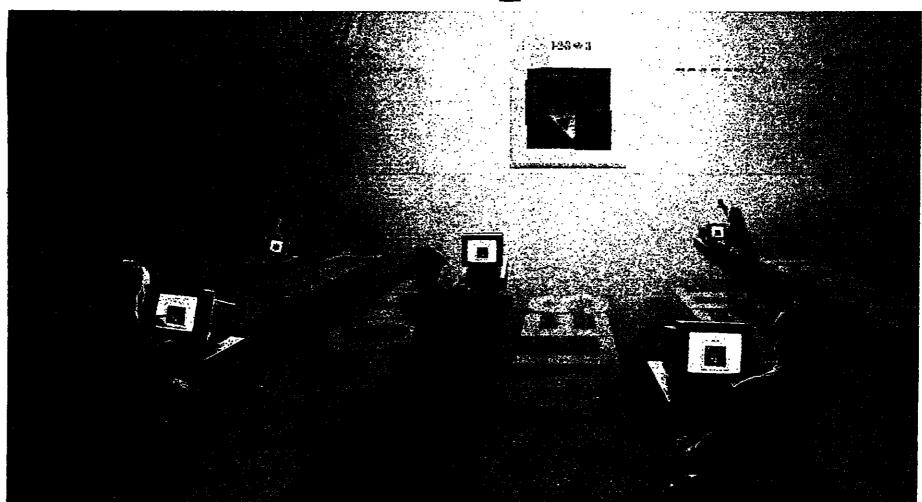
■With this mainly limestone rock, building a so-called spine road, and parallel inland was

and cays (islets) which lie to the north-west.

Developing the theme port for cruise ships, along Disney. land lines but billed as The Explorers. It would draw on regional links ranging from Columbus to Apolio astronauts like John Glenn, who splashed down in Turks and Caicos waters 25 years ago.

Building hotels and resorts for longer-stay visitors as well Later in the intended fiveyear life of the project, allow-ing bond investors to exchange their holdings for plots of land. The Foreign Office in London is likely to scrutinise the project closely because of the large amount of Crown land which may ultimately pass

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### **UK NEWS**

# **Employers' body** calls for swift entry to ERM

By Simon Holberton, Economics Staff

BRITAIN should become a full of exchange controls - should member of the European Mone-tary System before July 1990 ling's entry into the exchange and become more positive rate mechanism (ERM)," he about a common European currency, according to the Confederation of British Industry

In a paper published today which examines the Delors report on European economic allow the UK to reap the full and monetary union from a business perspective, the employers body says a common currency would greatly benefit British business. Moves towards it, however, must be the culmination of an evolu-

tionary process, it says.

Mr David Lees, chairman and chief executive of the engineering group, GKN, and who chaired the Confederation's monetary union working party, said it was crucial that the UK play its part in talks on achieving union.

To do this effectively, the UK must participate in the first stage of the process, by entering the exchange rate mechanism (of the EMS) as soon as the annual rate of UK inflation is on a confirmed downward trend. Other conditions - including the abolition

worsens By Alice Rawsthorn THE TEXTILE industry is struggling against increasing imports and a worsening trade

The report says Britain should enter sterling into the ERM within a narrow band (plus or minus 2.25 per cent) for fluctuation. This would

benefits of exchange rate sta-It says a move towards a common currency in the EC would benefit business, as long as the monetary authorities remain committed to low inflation. A common currency would carry great benefits to business, eliminating not only the variability of currencies

but also transaction costs.

The CBI does not accept that binding rules on fiscal policy are implied by monetary union. Countries should be allowed to determine whatever fiscal target are implied by the need to reconcile monetary union with domestic growth and employment objectives.

• European Monetary Union. a business perspective, CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU. £10

official statistics. Figures published yesterday by the Apparel Knitting and Textiles Alliance showed imports rose by 8 per cent to \$5.6bn in the first nine months

**Textiles** 

deficit

of this year. Exports were also up by 8 per cent in the same period to \$2.8bn. However, the value of exports was too low to compensate for the rise in imports and the textile trade deficit deterio-

deficit, according to the latest

Mr Allan Nightingale, chairman of the AKTA, said the deficit for the whole of 1989 could reach a record £3.6bn -roughly 20 per cent of the UK trade deficit. The industry has suffered a series of job losses and company collapses in recent months because of

increasing competition.

Earlier this week T.W.

Kempton, one of the largest knitwear manufacturers in the Midlands, went into receiverminiants, went into receiver-ship, jeopardising the jobs of its 1,200 employees. One of the chief causes of the industry's weakness is the rapid rise of textile and clothing imports. Employment in the sector has fallen by 25,000 to less than

500.000 since last autumn.

THE BANK OF ENGLAND QUARTERLY BULLETIN

# Interest rate rise 'vital to curb inflation'

By Peter Norman, Economics Correspondent

WE ARE all wiser with hindsight. After five weeks' thought, the Bank of England has come to the conclusion that last month's one percentage point increase in base rates to 15 per cent was probably a

good idea after all. Until sterling came under heavy selling pressure early in October, the Bank had believed that 14 per cent base rates would gradually do the trick of reducing inflation and curbing Britain's huge current account

halance of payments deficit.

Now, in its latest Quarterly
Bulletin, the Bank has concluded that "there could be no question but that interest rates here had to rise when they did on the Continent." The rise in interest rates was "necessary to keep monetary conditions

According to the Bulletin, the slowdown in the economy has had only a limited impact on inflation "which remains unacceptably high." Although financial pressures on companies and a desire to restrict these leaves are likely to stock levels are likely to restrain prices, pay settleme are raising costs across the economy as a whole. The Bulletin makes clear

that sterling's vulnerability was an important factor behind the interest rate move: by mid-October, the pound's

THE INCREASE in the weekly Treasury hill tender has helped the Bank keep short-term money market interest rates high, writes Simon Holberton. It helps to discourage borrowing and support the pound.

A note observes that the average interest rate bid for bills in the weekly tenders has been much closer to, and has sometimes exceeded, the London interbank bid price for short-torm

The Bank's market operations have also tended to keep short-term interest rates high. It has put restrictions on the maturity of commercial and Treasury bills it buys from the market to ralieve liquidity shortages and has taken to dealing later in the day. From May to Septem-ber the amount of Treasury bills outstanding

trade-weighted index was 6 per cent below its level of the start of the year. It also underlines that the interest rate increase was a necessary restraint on companies which had greatly extended their borrowing and conceded wage settlements which pushed unit wage costs

igher.
The base rate increase is not expected to hit individuals too hard. It "can be seen as a mod-est additional restraint of consumer demand and with little additional effect on the retail price index," the Bank says. Mortgage rates were in any case likely to have gone up by the end of this year even without a base rate rise, it says. However, the mortgage rate increases would probably have been "rather less than" 1 percentage point.

One reason for the Bank's perseverence with its tough monetary policy is substantial uncertainty as to the condition

of the British economy.

New revisions to statistics have revealed that the economy was growing much faster in 1988 than previously thought. Gross domestic product, on the average measure, is now thought to have increased by 4.4 per cent last year against previous estimates of 3.7 per cent, while domestic

3.7 per cent, while domestic demand is estimated to have risen by 7.3 per cent in 1988. The Bank says the outlook for manufacturing is for little growth in the coming months, despite rises in July and August after a broadly flat sec-ond quarter. But the widering ond quarter. But the wide of the current account defici to £5.9bn in the third quarter from £4.9bn in the second quarter "suggests that domestic demand may also have picked

The Bank has relied heavily on survey evidence, such as the Confederation of British Industry (CRI) industrial

grew from £3.1bm to £9.2bu.

trends surveys, in building up its picture of the UK economy. It is sceptical about official government figures and the conclusions that might be drawn from these.

Official figures have suggested that industrial investment was flat in the second quarter while non-manufacturing investment fell 3.5 per cent. However, the Bank appears reluctant to conclude that these trends reflect increased corporate indebtedness or high interest rates. It observes that recorded investment is extremely volatile in the short term and that it is difficult to know if a slowdown is underway because of "uncer-tainty attached" to the official

expenditure figures. It says there is a strong incentive for companies to invest in anticipation of com-pletion of the single European market while non-manufactur-

by large infrastructure projects such as the Channel Tunnel On balance, however, the Bank believes that the figures point to slowdown. Still clearer is the evidence concerning con-

sumer spending.
Reflecting the slowdown in the housing market, spending on consumer durables was first in the second quarter in contrast with last year's trend when it grew by a real 25 per cent on average in each quar-ter. It believes that consumer spending in the third quarter

was flat across the board.
However, the Bank says
there are few signs yet of any
easing in the labour market.
Despite the worsening of the current account deficit in the third quarter, the Bank believes that British competitiveness may have improved. The Bank adds there is evidence that slower domestic demand growth has encour-

aged British producers to con-centrate more on export mar-The Bank's review of world economic prospects suggests that British exporters should be able to count on continued growth in world trade. It says world trade is expected to grow by about 5.25 per cent a year in 1990 and 1991 compared with a projected 7.75 per cent growth this year.

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ROBERT. FLEMING ASSET MANAGEMENT

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## Asset sum clouded by inaccuracy

BRITAIN's external assets could be less that half of their officially recorded level of 294hn at the end of 1988, says the Bank, writes Simon Hol-

It pointed out that judgements on the UK's external position were clouded by inade-quate official data. The balancing item in the balance of payments amounted to £12.3bn in 1988, while the cumulative balancing item since 1975 was more than £54hm.

This error, of which £35bn has accrued since 1985, could be unrecorded current income, thereby making the current account deficit smaller, or unrecorded inward investment in the UK, thereby reducing the value of net external

The Bank, however, sides with the Central Statistical Office, in believing that the halancing item mostly cominflows. This would mean that net UK liabilities are understated and hence net assets

From the official figures, Britain slipped to third place in world rankings of countries with the biggest external assets. At the end of 1988 the dollar value of the UK's exter-

toniar value of the OK's exter-nal assets was \$162bn, against \$291bn for Japan and \$162bn for West Germany.

The UK still tops the league if total external assets are related to gross national prod-tot. The external assets of the uct. The external assets of the UK equal 19 per cent of GNP, against 17 per cent for West German and 10 per cent for

The Bank said that Britain's external assets were £4bn higher at the end of 1988 than at the end of 1987.

# Warning on East bloc reforms

THE BANK warns that it will not be easy to manage the proeastern Europe, writes Peter Norman. It says the immediate

in eastern Europe and the Soviet Union is to rectify macro-economic imbalances - particularly on the fiscal front - which stand in the way of structural reforms.

It notes that the Polish Government has already outlined a bold sconomic stabilisation

programme.

The "key requirement" in those countries opening up to Western democratic influence is to foster market-based development, the Bank says. But it cautions that gradual

ist policies, applied sector by sector or in a sequence of across-the-board steps are "fraught with problems." Liberalising one sector of an economy may increase strains while phased changes in rela-tive prices are liable to present

opportunities for speculation. Even if such developments do not raise overall prices, they could both distort and discredit the reform process, the Bank says. On the other hand there are risks in attempting to unleash market forces where neither

market structures nor market attitudes exist. The Bank says that if inflation is not to rise in the reforming countries, interest rates will have to be used to restrain the spending of

money balances and the expansion of credit. Prudential controls will also become increasingly important in eastern Europe as the bank-ruptcy of enterprises become a real possibility, the Bank adds.

# Personal pensions sales set for continued growth

By Eric Short, Pensions Correspondent

THE POPULARITY of the recently introduced personal pensions, contracts for more than 3m of which were sold in the fiscal year 1988-89, looks set to continue this year.

Figures yesterday from the Association of British Insurers showed that personal pensions sales by life assurance compa-nies were buoyant in the third quarter.

New annual premiums were 223m, nearly 10 per cent up on the £204m in the third quarter last year — the first period in which personal pensions became available became available. Single premium sales in the

third quarter were triple those of a year ago - 2500m against 2155m. Some single premium business relates to a backlog from the business boom in the final days of the previous tax year, but life companies are finding strong growth in per-sonal pension sales.

A big underlying feature has been the growth of unit-linked pension contracts at the expense of traditional withprofit contracts. More than half the annual premium contracts and nearly half the single pre-mium contracts sold were unit-linked, whereas tradi-tional contracts were dominant

a year ago. The continued growth in pensions business is opportune for traditional life companies marketing conventional with-profits life business in a dull

mortgage market. New annual premiums on ordinary life business dropped by more than a fifth against

the period last year from £369m to £244m because of the fall in sales of traditional mortgage-related contracts.

Unit-linked annual premium hife business showed a slight increase from £131m last year

increase from 1131m last year to 1151m.
Sales of linked-life bonds at 1778m were over 175m higher than the previous quarter and over one-fifth higher than sales in the third granter leat year of in the third quarter last year of £637m. This growth reflected the strong stock markets over the period ahead of October's mini-collapse.

Sales of non-linked bonds in the third quarter, at £200m were more than double sales in the corresponding period last

 An ombudsman is to be appointed as part of govern-ment plans to improve the security of people in their pen-

Mr Tony Newton, Social Security Secretary, said that the pensions ombudsman would have the power to settle grievances and there would be a statutory requirement that the pensions industry must abide by his decisions.

The Government's detailed proposals are based on a report drawn up by the Occupational Pensions Board and published at the beginning of this year. The vast majority of the board's proposals have been accepted with little amendment. The main exception is the establishment of the ombudsmen against the board's recomm

pensions tribunal.

### UK NEWS

# Blue Arrow rights issue pierced bankers' high hopes

LUE ARROW's £837m rights issue was intended to mark a high point for County NatWest, the merchant banking arm of NatWest bank, and Phillips & Drew stockbrokers, proof that they could play alongside London's leading dealmakers. Instead, it has left a trail of accusations and ruined careers across the City of London, culaccusations and ruined careers across the City of London, culminating yesterday in fraud charges against 11 people, writes Richard Waters.

The Blue Arrow rights issue, to finance the purchase of Manpower, the US employment errors was apposituated in

ment group, was announced in August 1987 – as one of the greatest bull markets the City had ever seen reached its peak. The issue was a flop only 38 per cent was taken up. A placing the following day found buyers for a further 35 per cent, but left the underwriters with a large slice of

It was the reaction to the original rights issue and the placing which led to yester-

the issue.

placing which led to yester-day's arrests.

The problems started for the corporate financiers at the centre of the deal – Mr Nicholas Wells and Mr David Reed of County, and Mr Martin Gibbs and Mr Christopher Stainforth of P&D – on the evening of September 28, 1987 at a meeting in County's Drapers Gardens offices when the disastrous result of the rights issue emerged. Plans were laid to salvage the situation.

to salvage the situation.

That evening County and P&D, together with another house, Dillon Read, agreed to take about 10 per cent of Blue Arrow's shares. This was "added in" to the 38 per cent and enabled County and P&D to declare the next day that nearly 50 per cent of the shares had been taken up in the rights issue. the rights issue

County undertook to take on the extra shares only after the extra exposure was approved by Mr Cohen and Mr John stow, a main board direc

about trying to place the rest of the Blue Arrow shares in the market. Mr Tim Brown, head of sales, was responsible for this exercise.

The rights issue led to a further 35 per cent of Blue
Arrow's shares being placed.
County and P&D announced
the results in a press release later that day. The press release claimed that 48.9 per cent of the shares had been taken up in the rights issue. This included the 10 per cent added in" the previous even-

ing.
It also stated that the ainder of the shares sub remainder of the shares subject to the placing had been "sold in the market," whereas 15 per cent of the issue had not been placed. The amount of information given to the market at this stage appears to be at the centre of the charges

brought yesterday. Events over the ensuing weeks may also have had an important part to play.

eft with a large block of shares, County was faced with the legal provision which requires a share-holder to disclose any holding in excess of 5 per cent of a

companies' shares. The holding was broken up part being left with County, part with its securities arm. and part with P&D, which signed an agreement with County protecting it from any which might result on funding for its £135m - £175m renovation programme, its first

the holding.
Mr Alan Kean of Travers Smith Braithwaite was asked by County for a legal opinion on whether the agreement with P&D contravened section 204 of the Companies Act: this would have required it to treat the stake as though it was still owned by County for the pur-

poses of disclosure.
In a letter dated October 5, Mr Kean said that in TSB's opinion the agreement did not present a problem.

According to the Department of Trade & Industry's inspectors, Ms Elizabeth Brimelow, then County NatWest's compliance officer, was involved in discussions which led to County's securities arm taking on its Blue Arrow stake.

The conspiracy charges caused surprise in some City circles yesterday. The publication in full of the DTT's report in the summer, at the same time that it was passed to the police, appeared to suggest that no serious charges were expected to be brought - although the report did allege breaches of the Companies

The DTI's action contrasts with its approach to the House of Fraser case in which the Lourho conglomerate and the Egyptian Al-Fayed brothers battled for control of the retail group which owns Harrods. In that instance, it said that it would not publish its report until Serious Fraud Office inquiries had been completed, for fear of prejudicing the

# Pressurised reactor plans scrapped

By Max Wilkinson, Maurice Samuelson and Raiph Aikins

THE Government announced yesterday that it had abandoned plans to build a family of new pressurised water nuclear reactors after the first PWR now under construction at Sizewell in Suffolk.

Mr John Wakeham, the energy secretary, also told the House of Commons that all Britain's nuclear plant will remain in the public sector rather than being privatised as planned.

The new nuclear company will be headed by Mr John Col-lier, head of the Atomic Energy Authority, rather than Lord

Marshall, chairman of the Central Electricity Generating Board, as had been widely sumed. Last night Lord Marshall was thought to be prepar-

ing to resign. Earlier, Mr Wakeham said the decision to abandon the privatisation of nuclear power resulted from new cost estimates and the "unprecedented guarantees" which the priva-tised industry would need from

the Government.

He said last night that perceptions of building the new family of four PWRs had

the Government to remove the elderly Magnox nuclear stations from its privatisation

As a result of his decision, National Power, the larger successor company of the CEGB, will have 60 per cent of the coal and oil fired capacity, with its sister company, PowerGen, holding the remainder. The new nuclear company

the generating capacity in England and Wales. The decision is likely to increase the attractiveness of the electricity industry to

potential investors. Excluding nuclear power stations will remove a large area of uncertainty in financial calculations. Privately, senior Conserva-

tives described the government announcement as a "major setback" given previous commitments to selling nuclear stations.

Government sources empha-sised that it would not withwill hold about 8.5 per cent of draw from nuclear power. Mr Wakeham said he wished to preserve a strategic role for nuclear power "to maintain adequate diversity of electricity supply".

# Thatcher firm as ambulance row spreads

By Michael Cassell, Political Correspondent

THE Prime Minister yesterday signalled the Government's determination to resist mounts. ing calls for arbitration in the ambulance dispute, which yes-terday escalated around the

country.
Ambulance crews in London were answering a substantial number of 999 emergency calls, despite the presence on the streets of military and volun-

tary vehicles.
Elsewhere, increasing numbers of crews adopted the national recommendation to ban non-urgent work, although they were pledging to continue providing 999 cover.

In Brief

Chevron

reports

N Sea

oil find

Chevron, US oil company, reported a successful oil well drilled 1.5km from its Alba North Sea field. The well

flowed at more than 3,400 bar-rels a day and raises the possi-

bility of an extension to the reservoir which Chevron believes contains more than

250m barrels of recoverable

Pre-tax profits at Woolwich, the third largest UK building society, rose by 67 per cent to

\$1.87m in the year ended last September. But mortgage lend-ing fell to \$2.52bn from \$3.4bm a year ago, reflecting the decline in the housing market.

Net intake from retail inves-tors rose to £1.45bn from £1.2bn

a year ago. Assets grew 12 per cent to £15.1bn.

H & R Johnson, UK's biggest

ceramic tile maker, is to mak

325 of its 2,300 workers redundant in a retrenchment programme it blames on a rise in tile imports from Italy and Spain and the downturn in the

domestic construction market. Imports have risen from 25 per

cent of the UK market in 1980

Steel production in October fell by 8.3 per cent compared with the previous month and was

13.1 per cent below that of October last year.

approach companies, financial institutions and rich individu-

als to raise £35m in advance

ton next week to register

strong objections to rules gov-erning the ways in which UK

futures brokers may deal with

joint venture with TV Data of the US, a subsidiary of E.W. Scripps, the broadly based US media company, to supply to

publishers all the corporation's

A merger between the National

Union of Railwaymen and the National Union of Seamen with a potential total membership of

about 130,000 now looks set to

take place early next year, ling to union officials.

Ford, the carmaker, increased

its pay offer for 32,000 manual

workers to 9 per cent in the

first year of a proposed two-year deal. It offered the infla-

tion rate plus 1 per cent in the

second year but made no move

on union demands for a cut in

television and radio listings in machine-readable form.

Unions to merge

Ford raises offer

the 39-hour week.

BBC in joint venture BBC Enterprises, commercial arm of the BBC, announced a

Tilemaker cuts

to about 70 per cent.

Steel output falls

Opera funds drive The Royal Opera House is to

Futures objections Mr John Redwood, corporate affairs minister, will meet US futures regulators in Washing-

since 1902.

US clients. ·

Woolwich advances

With no sign that management and unions were prepar-ing to discuss the eight-weeklong dispute, representatives of the five unions involved wrote to London Ambulance Service management stressing that members would answer emer-gency calls if they were put through to them.
As both sides continued to blame each other for the cessa-

tion of a normal emergency service, union leaders said they were willing to meet for talks the moment management restored an accident and emergency service in London.

of Commons, Prime Minister Margaret Thatcher condemned the ambulance crews for tak-ing "action against the sick" by failing to honour last month's agreement on main-taining a full accident and mergency service. During a two-hour emer-

gency Commons debate, the first allowed for 18 months, Labour renewed its accusations that the Government had backed moves to escalate the dispute and urged Mr Kenneth Clarke, the Health Secretary, to meet the unions involved. Some 806 of the 1,500 emergency calls in London during

the 24 hours to yesterday morning were passed through Scotland Yard police headquarters to the Army, the St John Ambulance, Red Cross and the police. The rest were answered

duty after carrying out their first call, when they then refused to use the radio in the manner management wished. Mr Roger Poole, the national chief trade union negotiator, yesterday launched an ambu-

by ambulance crews.

This was possible because staff were only suspended from

lance fund, calling on the pub-lic to support crews suspended

# Lloyd's underwriter Outhwaite settles on disputed contract

By Patrick Cockburn

troubled Lloyd's underwriter, has managed to cap its liabili-ties in its largest single disputed contract. Outhwaite estimated the cost of the settlement at \$50m, but the fig-ure was immediately disputed by the syndicate with which it was agreed.

The agreement limiting the exposure of Outhwaite syndicate 317/661 and Wrightson syndicate 90 managed by the Merrett Group was reached with the help of Mr Mark Litt-man, QC, the conciliator appointed by Lloyd's earlier in

In the original statement amouncing the agreement Mr Murdoch Macleod, spokesman for RHM Outhwaite, said the settlement was worth about \$50m but Mr David Robson, the director of Merrett responsible for syndicate 90, declined yes-terday to confirm that these figures were correct and expressed surprise they had

Mr Robson said last night:
"The information you have been given is a flagrant breach of a confidentiality agreement and injunctive proceedings are

being pursued."

Mr Michael Munden of Herbert Smith, solicitors for the Wrightson syndicate, said later: "Our intentions and my

RHM OUTHWAITE, the instructions are to issue an injunction against Outhwaite restraining breach of an agree-ment on confidentiality."

Mr Macleod had earlier expressed surprise at Merrett's response but agreed that in "the absolutely worst scenario" the cost of the settlement could be higher. He said later: "The other side seems to think it is much higher but we think it is fair and reasonable."

In addition to the settlement with syndicate 90 Outhwaite have also agreed terms on a run off contract with syndicate 484, managed by Methuen (Lloyd's Underwriting Agents) Ltd worth \$10m. Out of 10 contracts with

other syndicates in dispute at the beginning of the year RHM Outhwaite say they have now reached a negotiated settle-ment capping their liabilities with seven. They are still trying to reach agreement on three other contracts and one further contract is now being

All the run-off contracts are with the 317/661 syndicate in 1982 relate to asbestos and pol-lution cover in the US which have produced claims prevent-ing Outhwaite closing the syndicate accounts for 1982. Its 1,612 members face losses of £304m.

known as the Pullbrook syndicate, is heavily exposed to asbestos and the cost of reclaiming hazardous waste sites polluted by US chemical companies. In 1981 it paid Mr Outhwaite \$1m for a run-off contract to pay out when its pre-1974 claims exceeded \$27m. Originally estimated to total \$17.6m they had escalated to \$109m by January 1988.

Mr Robson said that despite the agreement with Outhwaite there was still no question of closing the 1982 year of syndicate 90.

Responding to the announce ment of the settlement Mr Peter Nutting, chairman of the steering committee of members of the syndicate 317/661 in 1982 who are suing 101 members agents for introducing them to Outhwaite, said yesterday: "It is good news for us that liability is known on 50 per cent of business. What we don't know is the price paid for this cap-

He said he was concerned that large sums were being paid upfront by R.H.M. Outhwaite for deals capping ulti-mate liability and added that the financial future of the syndicate and its members would not become clear until its accounts were issued in May or



## If you're cleaning your own washrooms you're wasting more than time. It's not what you signed up for, is it? You didn't spend two years at business school so you could check the bleach. Hunt for toilet rolls. Make sure the soaps aren't blocking the basins. Hope that clients don't walk into a room full of soggy paper towels. Or worse. It's the last thing a busy executive needs to deal with. So wash your hands of it. Delegate the task to BET. We'll discuss your requirements and install a package to suit them. We have a complete range of towel systems, dryers, soap dispensers, air cleaners. Everything a washroom needs. When we've checked that everything works to your satisfaction. we'll keep it clean on a regular basis. Once you've tapped into BET's family of specialists you can save time in other areas. Our transport people can deliver a dedicated distribution service. Our security specialists can supply a uniformed guard or a sophisticated electronic access system. Our scaffolders can help our painters make your building shine again. In fact 🔌 all our support services are designed to give you more time to do what you're good at. And save your hard earned capital from going down the drain. For more information please call Paul Farr at BET, Stratton House, Piccadilly, London WIX 6AS, or phone 0800 01 01 22. You take care of the core business. We'll take care of the chore business.

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Corporate financing in Japan

# Nifty footwork of the independents

Stefan Wagstyl and Robert Thomson report on the growth of consultancy in mergers and acquisitions

It is rare for a small company to set up shop among the giant Institutions which dominate Japanese finance. The almost universal preference among Japanese is for the safety and prestige of a large group. Among clients and bank clerks alike, the common attitude is - once a Mitsublehi man always a Mitsublehi man.

Mitsubishi man,
But with the onset of financial liberalisation, a handful of people are taking the plunge, particularly in mergers and acquisitions, where last footwork matters more than size.

The trend towards mergers and acquisitions is still in its early stages in Japan but is growing rapidly—according to one estimate, the value of such deals involving Japanese companies doubled last year to Y2,120bn (£9.3bn) and is set to rise even more in 1969.

However, big banks and securities houses have not yet had time to take control of the market.

FT correspondents in

FT correspondents in Tokyo report on two Japanese M&A boutiques which are challenging the country's financial superstores.



York, such a parting of the ways might have been accompanied by angry outbursts and recriminations. Yamaichi, by maintaining friendly relations, has kept in touch with a man

whose experience it values.

For Yoshida and his colleagues a big attraction of going independent is the possibility of earning much greater profits from their work than they might at Yamaichi. Recof intends to pay large bonuses and to distribute dividends to chareholders.

shareholders.
Yoshida put up most of Recof's Y21m capital and borrowed another Y320m to start the business. These funds are dwarfed by the resources of US M&A boutiques, not to mention those of the typical Wall Street investment banks. But Recof does not need much capital because it does not plan to offer advice.

The key to Recof's future will be the way that the Japanese M&A market develops. Yonezawa says that Recof does not now compete directly with anyone — in the sense that it does not come across other M&A teams offering companies similar proposals to its own. But this will change if Recof's success draws other corporate finance teams into the market. Recof intends to stay ahead by producing ideas different from others. Yonezawa is convinced that the domestic market offers great opportunities. "Everybody is now interested in the US. But the Japanese

Masaaki Yoshida (left) and Masaharu Yonezawa: their contacts are the key to Recof's growth

market for M&A will grow. Japanese companies are beginning to realise that they need a solid base at home in order to invest abroad. That kind of concept is growing." For companies in mature industries that does not mean piling into new investment in production or marketing — but acquisi-

Yonezawa also thinks that companies are no longer relying as much as before on the traditional ways of resolving competitive battles — turning to the Ministry of International Trade and Industry, for example, or seeking advice from the large groupings of companies which have long dominated Japanese industry, such as Mitsui and Sumitomo.

Yonezawa says a Mitsul company would now consider merging with a Sumitomo group member if the Sumitomo company offered more advantages than a Mitsui group member. The rigidities are

# Breaking with tradition

orporate Directions Inc, like other consultants in Japan, has had to overcome corporate cultural barriers. Not wanting to lose face, Japanese firms have traditionally been reluctant to admit that they have problems, and, even if a problem is conceded, there is a tradition of service in Japan that makes some managers believe that all

advice comes free.

The nature of CDI, with a core of relatively young consultants, also challenges a conventional view that wisdom accumulates with age. The picture of young consultant briefing elderly company owner remains unlikely. Wataru Yoshikoshi, the company's

Where do powerful ideas in communications come from?

president, likes to use the example of a house fire to counter the argument: "If your house is on fire do you want a fireman who is 30, 50 or 70

Years-old?"
Yoshikoshi founded CDI in January 1988 after leading to other colleagues away from the Japan operations of the Boston Consulting Group – not every Japanese employee is bound by unquestioning loyalty to his company. He appreciates that he has set a precedent that his more ambitious consultants could be tempted to follow, but presumes that western-style space, Japanese-style reassurance and a better than average salary will keen them.

salary will keep them.

Networking is done on a grand scale by Japan's kelretsu, the giant trading houses which emirace group companies with congenial cross-holdings, but CDI has a network of interests and influence on a smaller scale.

Before CDI and the Boston Consulting Group, Yoshikoshi worked as the project manager for the technology development and planning section of Tokyo Gas, the largest supplier of household gas in Japan. Tokyo Gas has taken a 4.5 per cent stake in CDI, Recruit, the employment company at the centre of the political scandal of the same name, also has a 4.5 per cent stake in CDI through a subsidiary.

through a subsidiary.
Yoshikoshi has known
Recruit officials since it
became his lot to hire new staff
when first working as a consultant: "I was told to recruit
some people. I called up the
manager of a Recruit company.
They have been very good clients. There is a transfer of

information."

He emphasises that he has never met the former chairman of Recruit, Hiromasa Ezoe, who was indicted after the exposure of his company's widespread attempts to buy influence from the country's leading politi-

Another shareholder in CDI is Orix, the country's largest leasing company, which has a 4.5 per cent interest. The balance is held by the founding partners.

Another network tapped into by the company is the university old-boy system that remains important long after graduation. With a reputation as a successful enterprise likely to become more so, CDI has managed to attract a better class of graduate from the more prestiglous universities.

Apart from their impressive credentials, the graduates have

husiness leaders and influential bureaucrats.

Numbers of staff have risen from 31 in 1986 to 63 this year. Yoshikoshi says Japanese students, who previously aimed at working for one of the country's largest companies, have "become very interested in this type of business," so it is "very easy for us to find people."

Yoshikoshi is fond of drawing diagrams to explain a point. With the help of an illustration, he suggests that consulting work has come to cover different areas, and has therefore become more lucrative. Instead of the single area of cost-cutting, there are now three trends in generating work for consultancies in Japan: cost competitiveness, a high value-added orientation, and the growing popularity of

mergers and acquisitions.

Japan went through its first cost-cutting phase with the oil shocks, and entered a second phase with the remorseless appreciation of the yen. At the same time, companies have become more conscious of quality as consumers have become more willing to pay for it, so there has been a general shift towards adding as much value as possible to products.

Yoshikoshi expects a continuing rise in M&A, which he presumes will produce opportunities in counselling the cafe or the merged companies. Mergers can be particularly cumbersome in Japan, where employees devoted to a department within one company have remained locked into chi routines and loyalties regardless of the merger going on around them.

Accommodating managers in a face-saving way who were in theory surplus has remained a priority; in the case of the recently announced merger plans of the Mitsui and Taiyo Kobe Banks, all 68 executives from both companies have been promised an office in the headquarters of the new Mitsui

Taiyo Kobe Bark.
Yoshikoshi is confident, though, that Japanese companies are about to make better use of people. Whereas they tend to find some role for every employee, even if it is paper-shuffling for the sake of it, there are now signs that some companies want to make the workplace more dynamic.

"Evaluating people is very important for business. If the direction of a company changes, then the whole system has to change. If the hardware changes, then the software has to change," he says.

### Business courses

How to Franchise Your Business in France. Howard Hotel, London, November 21. Fee: £138. Details from: Hannah Brown, Stoy Hayward Conference Services, 39-47 North Road, London N7 90P. Tel: 61-607 5322.

Corporate Strategy for 1992

A Practical Approach. November 21 1989. London. Feet, 258.75. Enquiries: Ms J K von. Wycks. Seminar Division. Hawksmere, 12-18 Grosvenor. Gardens, Beigravia, London SWIW ODH. Tel: 01-524 5257

Interpersonal Skills for Gaseral Managers. December 11-15 1989. London Business School. Fee: £2,200. Enquiries: 01-724

Strategy in Action. March 12-16. London Business School. Fee: 52,195 (to be confirmed). Enquiries: 01-724 4563

Designing and Preducing
Effective Equipment Documentation. February 12-13 1980.
London. Fee: £545 + VAT.
Enquiries: The Infomatica
Resource Centre, 2 The Chapel,
Royal Victoria Patriotic Building, Fitzhugh Grove, London
SW18 3SX.

Management Skills for Technical Personnel, February 23-23. London, Fee: N/A. Enquiries: The Informatics Resource Contre, Fitzhugh Grove, London,

Crisis? What Crisis? January 25-36 1990. London. Fee: 1525 + VAT. Enquiries: Ann McChaskey, Forum Communications. Tel: 01-938 2222.

Project Management: The Critical Skills and Techniques. February 19-21. London. Fee: N/A. Enquiries: Informatics. Resource Centre, 2 The Chapel, Royal Victoria Patriotic Builsing, Fitzhugh Grove, London. Tel: 01-871 2546.

International Total Quality Conference. November 28-30. London. Fee: N/A. Enquirles from: Bileen Peverall, marketing manager, David Hutchina Associates, 13/14 Hermitage Parade, High Street, Ascot, Berkshire. Tel: (0998) 28712.

Marketing Plans. December 11.
Bedford. Fee: £260. Enquiries:
Seminar Administrator, Marketing Plans - Guidelines for Chief Executives, Cranfield. School of Management, Cranfield, Bedford.

# A specialist approach outside the big league

asaaki Yoshida and Masaharu Yonezawa gave themselves three years to make a success of Recot, their independent mergers and acquisitions com-

But one year after they opened for business in October 1988, they are making a profit. They needed to complete one deal a year to make money—they have already done two and expect to complete several more by the end of the year. Having started with eight staff, they now have 32 and plan to have 40-50 in six months' time. Recof avoids direct competition with the large Japanese

banks and securities houses and with foreign investment banks by specialising in small and medium-sized transactions.

While others hunt for deals worth Y100bn (£440m) and more, Recof's transactions are typically worth Y3bn-Y5bn,

involving Japanese companies both in Japan and overseas.

Some 70-80 per cent of the business is domestic.

Recof executives say they compete successfully with the M&A departments of large rival organisations by offering well-argued and well-researched ideas. A small

little-known company cannot rely on its name to generate business. "If we go to a biscuit company, we don't tell them about Recof. Instead, we explain our view of the biscuit market and the company's situation. Sometimes they are surprised how much we know. Then we explain how it would help if that company acquired this or that other company," says Yonezawa, president of Recof International, which handles the group's overseas

deals.

In truth, Recof relies as much on the traditional values of the Japanese financial community as to its innovatory ideas. In particular, it owes much to its friendly relationship with Yamaichi Securities, one of Japan's hig four securities companies. Yoshida, the 51-year-old founder and main shareholder, Yonezawa, 53, and several of their senior colleagues, are all former long-

several of their senior colleagues, are all former longtime Yamaichi empleyees.

Together they have brought years of accumulated experience plus the names of thousands of contacts in finance and industry. Rival M&A bankers in Tokyo say these contacts, especially Yoshida's, are the key to Recof's success.

Yoshida pioneered corporate finance at Yamaichi Securities, where he established Japan's first specialist M&A department some 15 years ago and later became a director. Yonezawa spent much of his time on the international side of Yamaichi, including a spell in New York. His work often overlapped with that of Yosh-

Not surprisingly, Yoshida

found it difficult to persuade Yamaichi to let him go independent. Without Yamaichi's blessing, he would have found it almost impossible to establish a rival company — even a very small one — in the close-knit Tokyo financial community. But he eventually managed to leave in late 1987 — on condition that he remained an adviser to a Yamaichi subsidiary.

Yonezawa, who had left Yamaichi earlier for a Frenchowned securities company in

owned securities company in Tokyo, joined him last year. Yamaichi also allowed others to leave - about 10 of the 32 Recof staff are ex-Yamaichi. It seems that the big securities company permitted Yoshida to have his own way because it realised it could no longer keep him - or the people he subsequently chose to recruit. In London or New

NORTHERN TELECOM

THE POWER BEHIND COMMUNICATIONS

ing elderly company owner credentials, the graduates have contacts in those elite faculties Yoshikoshi, the company's which traditionally produce

In Canada we've been setting the pace for over 100 years.

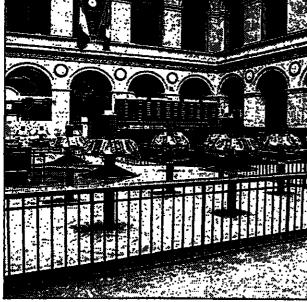
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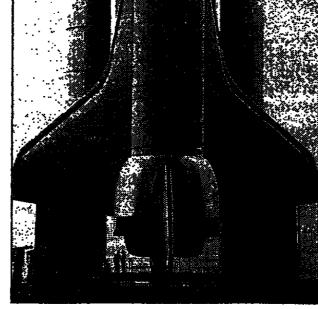
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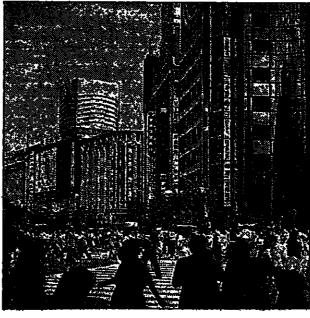
With this system, the brokers, dealers and agents trading on the Exchange can give their customers rapid access to accurate and up to date information and maintain constant contact with shareholders, banks and stock markets worldwide.



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# **FINANCIAL TIMES**



Since the recession of the early 1980s. the county has diversified its economic base, and

unemployment has fallen, says Stewart Daiby. In seeking new industries, it must compete with areas that offer financial incentives; yet it does have other advantages.

# Commuters in reserve

FOUR YEARS ago, Bedfordshire seemed to have a lot going through it, but not to Cambridge's famous science to Cambridge's famou

lot going through it, but not much going for it.

Sitting above the M25, and astride the main routes to the north, like the M1 and the A1, the county is physically one of the smallest in the UK.

In 1986, with its population at 530,000, it saw its unemployment rate rise to 10 ner cent

ment rate rise to 10 per cent, compared with the 9.7 per cent average for the South East. In pockets like Luton, unemploy-ment soared to 13.8 per cent, higher than the national aver-

The problem was that, although the largely agricul-tural county is geographically part of the South East — its southern perimeter is only 30 miles from the centre of London — its towns, particularly Luton, had the profiles of northern industrial centres. They relied for jobs on a few large manufacturing employers. When the recession came, in the early 1980s, the decline

hit these companies hard. Problems were compounded by the fact that, as the eco-nomic recovery got under way, companies that were being forced out of London by high rates and rents tended to go to nearby Milton Keynes, where the new town cornocation. the new town corporation

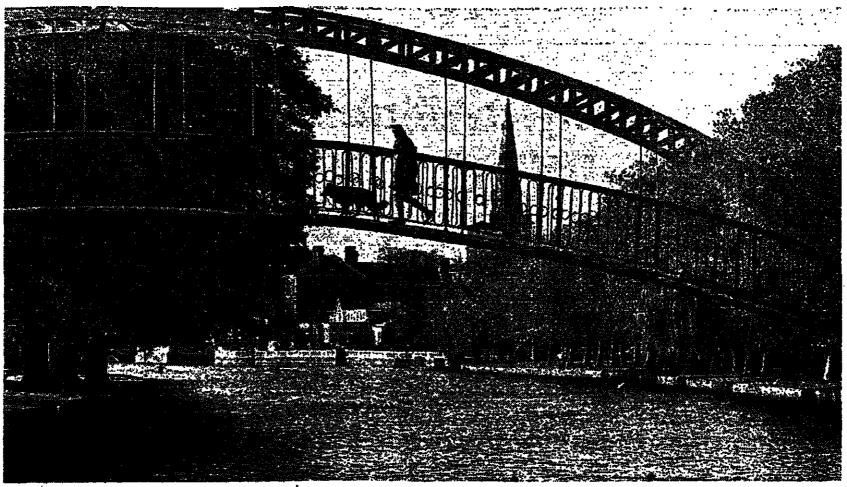
Alternatively, they were drawn to Cambridge's famous science park. Bedfordshire, between these two heavily-promoted cities, was overlooked.

Since 1986, however, the county has quietly managed to diversify its employment base, both by encouraging established lished companies to expand, and by inducing new ones to start up or move existing facili-ties to the area.

Established companies long associated with Luton, such as Vauxhall, Laporte Industries, SKF(UK) and Electrolux, have all shaken out during the last labour. Vanxhall, for example, now employs 5,400 at its Luton plant, less than a third of the workforce at the end of the

However, as many compa-nies now expand again, Vaux-hall is taking on new workers on the back of the success of its intermediate-range car, the Cavaller, which is made in

Laporte Industries, which was founded in 1888, in Shipley, Yorkshire, by Bernard Laporte, a young trader in chemicals, has been in Luton since the turn of the century. It



# BEDFORDSHIRE

made dyes and bleach for the straw-plait industry, which was the basis of the hat busi-ness for which Luton was renowned before engineering became the dominant sector. Laporte is now a large interna-tional corporation, which operates in many countries but still has an important Luton pres-

SKF(UK) is another well-known Luton company which survived the recession. It was founded there in 1910, and the first SKF bearing to be produced outside Sweden — a deathle-now self-allering hall. double-row, self-aligning ball bearing — was produced the following year. Today, the com-pany manufactures a selected range of bearings and related products for the UK market, where it holds a leading position. It still has it headquarters

at Sundon Park, Luton.
Well-known names are
linked to Bedford, too. Texas
Instruments, with 1,100 people,
says it is the largest manufacturing employer in the town. A leading semiconductor mann-

facturer, producing defence electronics systems and com-puter systems products, it has been located in Bedford for 30 years and is growing. It finds the town convenient, because educational establishments are good, property reasonably good, property reasonably priced, and the local authori-ties helpful.

Companies that have set up in Bedford more recently, like the National Freight Consortium, have emphasised the good communications. "Faced in 1978 with steep rises in occupation costs, particularly rates and rents, the NFC decided to seek a single less expensive corporate headquarters." explained a spokesman. "It had to be within 50 or 60 miles of London, but accessible to the North and Midlands."

The fast road and rail links and good access to the M1 and A1 were an important factor in the NFC's decision to relocate; so, too, was Bedford's educa-tional reputation. The com-

With older companies growing again, and some new ones relocating, the Bedfordshire unemployment rate has fallen sharply. This summer - when the national average was 7.1 per cent, and the average for the South East 4.4 per cent — the county had a jobless total of 3.4 per cent. Luton, which continues to have special problems with its image of a run-down urban area with high levels of crime, was slightly above the South East average, at 5.4

Yet these figures take no account of the large increase in the locally-based commuting population. With the Thames-Link trains added to the Midlands line from St Pancras, it has become easy to commute to London. Precise figures are difficult to obtain, but British Rail indicates that more than 30,000 return tickets are sold at Bedford each day, and well

over 40,000 at Luton. So it seems likely that there are at least 30,000 commuters

a potentially important

could turn to its advantage as it continues to encourage new companies to set up in the county. One constraint that companies are now facing in moving to places like Milton Keynes is the shortage of labour, particularly skilled labour. Milton Keynes now has an unemployment rate of 2.4 per cent, which effectively means full employment; and it has few commuters to London.

A year ago, the county council - possibly realising that the county needed a higher profile if it was to compete for jobs with centres such as Milton Keynes, Peterborough and Cambridge — set up its Eco-

nomic Development Unit.

The EDU has devoted much effort to assembling information that conveys the county's economic profile. It now offers a one-stop service, which includes not only basic infor-mation about Bedfordshire, like housing, population, economic structure and educa-tional opportunities, but also

data on land availability, small business advice - complementing the Bedfordshire Community Enterprise Agency - financing advice, and information on technology transfer

and business development. Because Bedfordshire is part of the South East, what the EDU cannot do is offer financial incentives. None of the towns has had new-town or development status. This means that later and there are at market rates, and there are no cheap council houses on offer for key employees. But, with its information base, the EDU can point up the advan-

One obvious selling-point is communications. The county communications. The county sits not only on the M1, A1 and A6, going north-south, but also has the east-west A428. From this, it is easy to link up with the A45 and the east coast ports of Felixstowe and Harwich — both about two hours away. The M25, circling London, is an hour's drive from the north of the county. From

### CONTENTS

☐ Pictures: ALAN HARPER

Bedford, the rapidly growing Luton Airport is half an hour

Communications apart, everything looks a little less expensive than in, say, nearby Hertfordshire. Industrial land sells for between \$300,000 and 2500,000. Fully serviced industrial land is available in Bed-ford, Luton and Biggleswade. Bob Gurney, at the EDU, estimates that 593 acres across the county are either available or will be available in the near future. Office rents in Bedford are around £10 per square foot

for a prime site.

Houses in Bedford are less expensive than in other parts of the South East, with a of the South East, with a detached four-bedroom house selling for between £100,000 and £125,000. A three-bedroom semi-detached would cost around £70,000. While central Luton may not be a place where many managers would elected to live there are made choose to live, there are modestly priced houses in the sur-rounding villages, and the commuting time to London is only half an hour.

It is likely that Bedford and Biggleswade will develop in a different way from Luton, Bedford, farther from London than Luton, will probably seek more so-called B1 (light industrial, high-tech) companies. One additional attraction for hightech scientific companies, which might otherwise be considering a move to Cambridge, is that the Cranfield Institute of Technology will be their

Luton, on the other hand, aims increasingly for service-type companies. The town once had 37 per cent of its workforce employed in industry. This has now dropped to 27 per cent, and will probably fall further as office blocks go up. Office rents are competitive, at around £15, although they can rise to over £20 in prime sites.

Both Bedford and Luton, however, have a pool of com-muters who might be per-suaded to work closer to home. So Bedfordshire does not suffer from the severe bottlenecks in beginning to arise elsewhere. This could be a winning card in its drive to attract new com-panies and persuade existing ones to expand.



Together we make a great team.



LUTON: Stewart Dalby scrutinises 'a little bit of the north in the south', and concludes that . . .

# New jobs are likely to depend on image

ANY SMALL town that thinks it has troubles can always consider Luton. This borough of nearly 170,000 people, half an hour by rail from London, seems to have them all.

It has one of the highest crime rates in the country in 1988 there were 19,000, more than one for every 10 inhabit-ants. Between the ring roads, which dominate the centre, it suffers from severe dereliction. The council estates on the perimeter were said until recently to have been no-go areas for the police on Saturday nights. They have all the problems associated with rundown inner-city areas.

Twenty per cent of the town's population is made up of ethnic minorities, though there have been no obvious signs of racial tension. The area had an unemploy-

ment rate of 5.4 per cent earlier this summer - compared with 3.4 per cent for the county of Bedfordshire and the 4.4 per cent for the South East. This would almost certainly have been higher, but for the fact that thousands of Luton people commute to London.

In much of its deprivation. Luton is not so different from other Victorian towns where manufacturing industries have gone into decline. Yet it is unusual among towns in the south. At the turn of the century, the local authorities and the chamber of commerce pro-moted it as a place for industrial development. Electricity arrived early, and many houses were built. This attracted engineering and chemical concerns as major employers, in succession to the hat and straw-plaiting industries. Transient workers moved in as the heavy manufacturing profile, with high employment, continued until the end of the

With the recession of the early 1980s, the engineering and chemical concerns either closed down or rationalised, throwing thousands out of work. By 1986, unemployment had reached 13.8 per cent.

At the time, such a level was common in northern industrial cities, but in Luton there was an important difference: the rootless nature of many immi-grants meant that the car did not generate their own cultures in the way that, say, the



Might the Arndale Centre benefit from a facelit? Even people who live in Luton dislike the town, says a local politician

steel mills of Sheffield did. There is little civic pride in Luton, and little of the sense of community to be found in, say, the former mining areas of South Wales. People are in Luton solely for the work.

Mr Roy Davis, a local Labour politician, has been quoted as saying: "Possibly the unique thing about Luton is that not only does it have an image problem with outsiders, but that the people who live here don't like the place either.

The fact that such attitudes have made it difficult to regenerate the town does not mean that people are not trying. Some months ago, the Luton Initiative was set up. It was the brainchild of a local business-man, Mr Derek Ludlow, who arrived from Ireland in the 1950s when he was 16. Some £300,000 has been raised from public funds, and Mr Terry Johnson, a London advertisin executive, has been appointed

campaign manager The Luton initiative is

intended to be a pressure group or catalyst, to counteract the bad image and re-inject life into the town. The models for the exercise are the "I love New York" campaign of the 1970s, and more recently the successful marketing of Glas-gow through the "Glasgow, Miles Better" programme.

Mr Johnson realises that he faces many problems if the Initiative is to emulate Glasgow's. One of the first things he did was to spend £50,000 on market research. Mori talked to five groups: borough residents, area residents, the general public, senior managers and developers. The results of the poll, which were released this week, make gloomy reading:

Among managers interviewed, only 9 per cent said they would consider moving to Luton, while 79 per cent said they were not interested in

Luton as a location. Among residents, 76 per cent said the town had a poor image because of its crime.

Mr Johnson points out that, in some ways, the image is more perceived than real. Police say that, of the 19,000 crimes last year, only a small percentage were serious or violent. Only 6 per cent these were against old people. Most were petty vandalism, or fights among young neonly. There among young people. There has been only one arrest at the Luton Town football ground in the three years since the club excluded visiting supporters, says Mr Johnso

There may be sound com-mercial reasons for moving to Luton. The Capability Green industrial park - for service and commercial companies, rather than manufacturing concerns - on the old Luton Hoo estate is very attractive. Its 1m square feet of space is full at the moment; but, with

rents of under £20 a square foot, it compares favourably with London.

Communications are good, with the M1 close and the air-port just outside the town. Wage rates are favourable, and Mr Johnson reckons that residential property is at least 16-per cent cheaper than in London. Any company that did decide to move to Luton which particularly wants service companies - ought not to find it difficult to attract staff. Many commuters, for example, might prefer to work nearer

In the end, though, succe in attracting new employers is likely to depend on an improvement in image. Luton also faces a problem in its reputation as "a little bit of the north in the south" - it attracts little public money, either to develop the infrastructure or to spend on incentives. Not being a new town, it does not have development status of any kind.

The Conservative-controlled borough council supports the Initiative Mr Johnson feels that not only will a better image depend on private-sector spending, but that the funds must be used to improve the centre of town. He believes he has persuaded British Rail to spend possibly more that £100m on a better station, with a rail link to the airport. He also wants to develop a cultural centre, where the old co-op building has stood empty for eight years. It would cost £30m, and include a theatre

and art gallery. He talks of a \$50m leisure centre, with a pool and a bowling alley. And, last but not least, would like to give the Arndale Centre a facelift – the shooping complex in the middle of the town, must be one of the least inspiring in the south of England.

Granada is among the service companies in Bedford

### THE COUNTY TOWN

# In service with a difference

BEDFORD is an attractive riverside market town, which ought to be a pleasant locality. But it has one big drawback: the A6 runs south-north through parts of it, and the A428 runs west to east. So there is a hardly a time of

day when there is not a considerable flow of goods traffic through the town. In the peak evening and morning hours, there is severe congestion.

In 1985, the Department of Transport presented proposals for a by-pass. The "outer southern" section received widespread support. However, the "inner western" route caused concern, because of the caused concern, because of the likely impact on local communities and questions of the route's effectiveness in reducing through-traffic.

Bedfordshire County Council, along with the North Bedfordshire Borough Council, has drawn up alternative routes for the western section which

the western section, which would throw the main by-pass farther out to the west and entail city-centre improve-ments. The local authorities have been waging a campaign to persuade the Department of Transport to accept their alternative proposals; and officials at county level are confident that, at the end of the day, their version will be accepted, If the town is freed from congestion, its attractions will be

Bedford remained a market town for most of the 19th cen-tury. Like Luton, it began to

attract some industry after the spread of the railways, but it spread of the railways, our it did not develop as a fully-fledged manufacturing centre. Instead, it became a rather specialised service town. By 1873, it was said that "education is Bedford's business" — a legacy of the William Happur who Bedford's business" — a legacy of Sir William Harpur, who had established an educational trust in 1561. This led to the foundation of two girls' schools and two boys' schools, which have lasted down the years. In the 19th century, a cross-section of the wealthy from the British Empire particularly.

British Empire, particularly India, sent their children to these schools. Many of them bought or built houses in the area, to be near the children during holidays, or for retirement. These people, known as "squatters", wanted servants, and these came from the surrounding areas, so that, by the turn of the century, 11 per cent of Bedford' working population

was in service.

Today, much of the popula-tion of 90,000 is in service of a different kind. With the public schools, the state schools, the schools, the state schools, the college of further education and the Cranfield Institute of Technology, Bedford remains an education centre. It is also the county town, and therefore an administrative hub. A number of service companies. ber of service companies, including Granada Group, the TV rental concern, have operations in Bedford; and there is an extensive shopping area in a town centre that is partly pedestriantsed.

**KEY FACTS** 

the areas of North Bedfordshire and Luton boros Mid Bediordshire and South Bediordshire districts. There are five parliamentary constituencies: Luton South, 484. hire, North Bedierdshire, North Luten and South

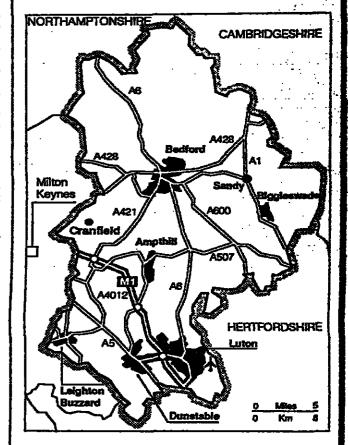
West Bedfordshire POPULATION (1988): 36.800 (1986-98 +1.0 per ci North Bedfordshire 114,900 (+3.7 per cond) Mid Bedfordshire 111,500 ( + 2.3 per cert South Bedfordshire 167,606 (+0.8 per cent) 530,700 (+0.9 per cent) South East (+0.5 per cent); England & Wales (+0.5)

Projected population (1987): North Beds 150,606 (+11 per cent, 1987-97); Mid Beds 116,100 (+4 per cent); South Beds 113,600 (+4 per cent); Luton 193,800 (+16 per cent); County: 574,100 (+9 per cent)

Birth-rate, per 1,000 population (1988): North Bedfordshire ...... Wid Bedfordsbire South East 14.2; England & Wales 13.8 25

Mid Bedfordshire South East 10.6; 11.3 Lifestyle types 1988 (%)

Metro singles Young married su 14.7 0.5 4.9 38.3 3.1 4.9 18.0 12.8 Country & retiring suburbans Older suburb 16.1 7.2 10.4 15.6 10.5 0.7 Aspiring blue & white Multi-ethnic areas 15.9 9.9 Fading industrial Council tenants (OT \$36 784)



NDUSTRIAL ESTATES (1988): Estates surveyed 132; floorspace 1.8m square metres;

vacant floorspace 38,046 square metres; units 2,664; vacant units 157; vacancy rate 5.8 per cent; units vacant for over a year 48. Major business activities: manufacturer of metal goods, engineering and vehicle industries; miscellaneous manufacturing industries; distribution and repair.

AIRPORT: Luton Airport, Luton, Beds LU2 9LY, 1.5 miles east of Luton, operated by the local council. Operational 24 hours; customs 24 hours. Resident airlines: Britannia Airways; Monarch Airlines. Scheduled: Ryanair; British Midland; Netherlines; Virgin Atlantic.

LOCAL AUTHORITY ADDRESSES LOCAL AUTHORITY ADDRESSES
Bedfordshire County Council, County Hall, Bedford MK42
9AP. 7el 0234 63222 (Economic Planning Unit 0234 228060).
North Bedfordshire Borough Council, Town Hall, Bedford
MK40 13.1. Tel 0234 67422.
Mid Bedfordshire District Council, The Limes, 12 Dunstable
Street, Ampthill, Bedfordshire MK45 2JU. Tel 0525 402051.
South Bedfordshire District Council, 76 High Street
North, Dunstable LU6 1LF. Tel 0582 472222.
Luton Borough Council, Town Hall, Luton LU1 2BQ. Tel 0582
31291.

SOURCES: Bedfordshire County Planning Department; The Municipal Year Book; Flight International Directory

It does, however, also have industry. Texas Instruments, which makes semiconductors, and which with 1,100 on its payroll probably the town's largest manufacturing employer, has been in Bedford for 13 years. The National Freight Consortium relocated to Bedford more recently.

to Bedford more recently.

The county and borough councils have been trying to attract more companies, both manufacturing and service, to manufacturing and service, to Bedford Because it is part of the South East and is not a new town, it cannot offer financial incentives. But it has other selling points, including good communications, close to the M1 and A1 trunk routes. The A428 links up with the A45 The A428 links up with the A45 and the east coast ports. Luton Airport is half an hour away, and London 40 minutes by and

Airport is half an hour away, and London 40 minutes by rail. Because Bedford has tended to be overshadowed by places like Milton Keynes as a relocation venue, land is probably cheaper. The county council's Woburn Road site is virtually full now; although, according to Terry Hughes, of Bedford's Economic Development Unit, more than 100 acres of land more than 100 acres of land designated for industrial use should become available soon. He would expect this to sell for between £300,000 and £500,000 an acre, which is probably cheaper than a prime site in

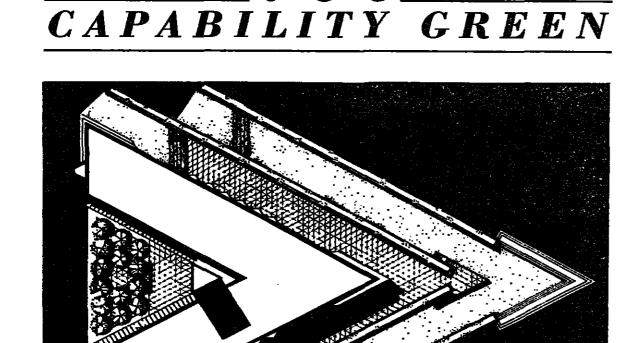
Bedford should not suffer the shortages of labour (particularly skilled labour) being experienced elsewhere. Nor does it look as if the "demographic time-bomb" of a drop in the number of young people coming on to the labour market will effect the town, because it expects more than the average number of school-leavers. Many commuters to London might also be persuaded to work closer to home. As a place to live, Bedford is

As a place to live, Bedford is physically attractive, partly because the River Great Ouse runs through it. There is a good library, a museum, and property is a little cheaper than the average for the South East, with a detached four-bed-roomed house selling for roomed house selling for between £100,000 and £130,000. The council plans to develop further the centre of the town, with a multiplex cinema and another swimming complex.

An unusual formula the

An unusual feature is the An unusual feature is the large number of people of italian descent — the result of a migration to work in the local brick industry, before and after the second world war. A legacy of this movement is that Bedford has more than the average number of Italian restaurants.

number of Italian restaurants, many of which can be recommended — provided you can find a place to park.



# 700 CAPABILITY GREEN IS AN IMPOSING AND DISTINCTIVE CORPORATE HEADQUARTERS **BUILDING OF 195,000 SQFT NET**

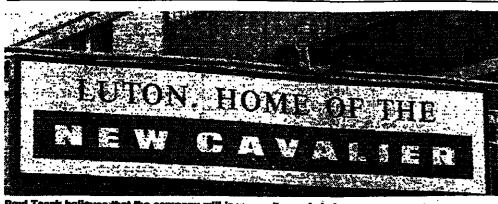
The striking arrowhead shape of this inspiring building has been designed by Skidmore Owings & Merrill. It offers City quality office accommodation and excellent car parking facilities in an unrivalled location with immediate access to the MI, M25 and Heathrow International Airport.

The commanding slope of the site allows panoramic views across the Luton Hoo Estate, and the building forms a focal point of the classical environment created at Capability Green.

**Marketing Agents** 



### **BEDFORDSHIRE 3**



Paul Tosch believes that the company will increase its market share

### **INDUSTRY**

# Vauxhall accelerates

BEDFORDSHIRE missed out on Britain's first industrial revclution in the 19th century, largely because it was too far from the coalfields.

By 1870, straw-plaining was the staple domestic industry in Luton and Dunstable. In 1869, the opening of the Suez Canal brought imports of cheaper plait from China and Japan. This stimulated the hat indus-try, but killed off domestic plaiting.

Bedford remained a market

town with an agricultural hin-terland for most of the century, though industrial development began in 1859 with the opening of the Britannia ironworks, which manufactured agricultural implements. Brick-making followed, but Bedford has not become an industrial centre in the way that Luton has.
With the coming of what
might be termed the second industrial revolution, and with the spread of the railways, Luton began to develop chemical and engineering industries. Then something curious hap-

According to a history drawn up the County Planning Office in 1980, the joint enter-prise of the town council and the chamber of commerce, whose secretary, Sir Thomas Keens, was also the town clerk, meant that Luton, early this century, became not just an industrial centre in the south, but the largest industrial cen-tre. It remained so until the

In 1900, Str Thomas distrib-uted a booklet entitled Luton as an Industrial Centre. This demonstrated that the local authorities had laid on electricity, and had built many cheap houses, thereby attracting much cheap, transient labour. people came from Scotland and Ireland, to be followed later by others from the Caribbean and Pakistan. Because most of the jobs in the hat industry were for women, the policy was to concentrate on industries that employed mainly men.

Luton's policy of promoting itself vigorously as a place for industrial development was ahead of its time, and very unusual for the south of England But it was successful. in a 12-year period to 1910, five major industrial companies established themselves in the town: Laportes in 1898, Vaux-hall (1905), Commer (1906), G.Kent (1907) and SKF (1910).

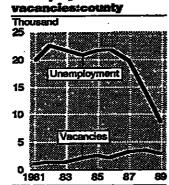
In the 1930s, during the world-wide recession, when other British industrial towns were suffering, unemployment in Luton never rose above 2 per cent. By 1947, it was widely described as the most prosperons town in Britain.

But that was the high point. By the late 1970s, industry had gone into decline and unemployment had soared, as Luton counted the cost of reliance on a few old-style industrial com-

The name which runs like a thread through the rise and fall of industrial Luton is that of Vauxhall Motors. Taken over by General Motors in 1925, by 1979 it employed 32,732 people in various plants around the country (probably just under 20,000 in Luton) and manufactured cars, trucks and vans. It was also deeply in the red, incurring a loss of £31.7m

for that year.

After drastic reorganisation, Vauxhall now employs 5,400 at its Luton plant, and made profits of £152m last year. The transformation has not been just a question of improved



labour productivity, however. Vauxhall is now an assembler of cars at its Luton plant. GM does retain an interest in a van-producing company, but Vauxhall is concerned exclusively with the assembly of the Cavalier model. The only parts of the Cavalier that are made in Luion are the seat covers.

Mr Paul Tosch, chairman and managing director of Vauxhall, says the Cavalier has been a great success, and ascribes the return to profitability in 1987 to three factors: improved industrial relations, good products and better profitability. The plant at Luton has been producing 35 units and hour, which should rise to 40 units an hour by the end of this year and to 45 units some

Mr Tosch says that, together with its Astra and imported models, GM now has 15 per cent of the British market, compared with 13.7 per cent in 1988. Although he expects overall car sales to drop by between 7 and 10 per cent in the next 12 months, he thinks Vauxhall will increase it mar-

Like so many engineering concerns, Vauxhall has sur-vived and prospered by no longer being a completely inte-grated operation. It has improved its productivity dra-matically, but narrowed its area of productive activities. For Luton and Bedfordshire, this kind of rationalisation has meant an end of dependence for jobs on a few large manufacturing concerns. Luton is now attempting to attract ser-

ket share. He hopes that the company, which is part of GM

Europe, will be exporting Cavaliers by the end of 1990. And he

does not discount the possibil-

ity of Vauxhall's again manu-

facturing car engines in Luton.

vice companies, in order to provide jobs. A good example of the way the county has managed to diversify its employment base into newer kinds of manufacturing can be found in Bedford. Atlas Converting Equipment established a factory at the Woburn Road estate, at Kemp-son outside Bedford, six years ago. The company makes advanced technology slitting and rewinding machinery.

Mr Tony Moody, the finance director, says Bedford was chosen because the skills the company needed were available, and there was good communications. The company did look at Stevenage, but found that labour rates and prices gener-ally were higher. The local authorities in Bedford were helpful - Woburn Road is a council industrial estate. The price for the land was reason-

able, said Mr Moody. The company, which employs 90 people at Kempson, has expanded rapidly. Turnover tripled to £22m in the four years, 1985 to 1988. Pre-tax profits more than tripled to 23.4m in the same period.

"I can think of no disadvantages to establishing in Bed-ford," says Mr Moody. "We have been able to acquire the skilled labour we need as we have expanded. As we export 85 per cent of our products, we need access to communica-tions. Here, we are right on the motorway.

Mr Moody feels that Bedfordshire has been overshadowed by places like Milton Keynes when companies have looked to relocate. This has been to his own company's advantage, he feels. The availability of labour, particularly skilled labour, will decrease as more companies of the high-tech kind stop overlooking the

Stewart Daiby

WHEN WHEN PLANS were announced for Airport Way, linking Luton Airport to the M1, Nicholas Phillips, of Luton

Hoo, realised that 85 acres of his 4,000-acre estate was going to be cut off from the rest. He went to see David Fletcher, of Fletcher King, the London estate agents, to dis-cuss what might be done with

They decided on a business park. At the time, for Luton, it was a fairly brave move, says John Macleod, of Fletcher

King.
But the result is Bedfordshire's biggest current development, Capability Green. The name may sound bijou, but it reflects an ambition to con-tinue where Capability Brown, who created Luton Hoo's landscape, left off. The master architect is an American, Bruce Gilbreth.

Buildings are already occupied by Nacanco and Barclays Bank Anritsu, a Japanese elec-tronics firm, has built its own. In a fourth building, a 13,000sq ft unit has been let to BICC at £17.50 a square foot. The retail and business centre and two more office buildings, one pre let to Scholl, will be complete in March.

Investment totalling £1.6bn is expected in Luton over the next five years, says Terry Johnson, of the Luton Initia-tive, just launched by local companies and the council, who were anxious that the town was too dependent on Vauxhall Motors and had a dowdy image.

Mr Johnson, formerly head of communications at the National Economic Development Office, comments: "We are talking to British Rail about building a completely new station with offices above it, as at Watford and Milton Keynes. We are looking to build a cultural centre in the centre of Luton, on the four-acre old Co-op site. We are also looking to the redevelopment of the Arndale Centre, owned by the Prudential."

Sheila Harrison, of Holmes estates agents, currently seeking tenants for a 32,000sq ft building in central Luton, built by Dixons Commercial Properties, says that, in the past, the town simply catered for its own office needs. Now, with Watford rents at £30 a square foot compared, with Luton's current £13, London firms are

filtering further out.
On the industrial front, Sheila Harrison says that new space is fetching £6.50 a square foot, against £3.50 to £4 two years ago. In north Luton, Dencora is putting in roads for some large industrial units. PROPERTY

# The county with great capabilities

Tarmac's Portenway development, close to the MI is 20-30 per cent office space: Strutt and Parker are quoting rents of

For retail development, Burton Property has bought 15 acres of surplus land from General Motors (Vauxhall).

Bedford, 10 miles or more from the M1 and A1, is more

Industries setting up in Bedford are mainly services. "We don't particularly attract high

just done three deals in which industrial land has been sold for £500,000 an acre. In 18 months, rents for a 10,000 square foot building are up from \$3 to \$5.50 to \$6. At Biggleswade and Sandy, close to the A1, they are similar.

Terry Johnson, of the Luton Initiative, expects investment totalling £1.6bn in the town

reliant on local developers. Simkel is to build offices on the Granada cinema site. SDC Builders has the steelwork up for a 14,500sq ft office building in the town centre. "We have targeted £12, not too heavy a rent," says Dave Ledsom, of

He feels they have found a gap in the market. We com-pleted a very successful scheme 12 months ago, the restoration and extension of a Georgian building in Bromham Road. It is let to the National Westminster Bank as a

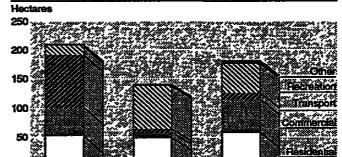
SDC is also building 14 industrial units on Woburn Road, and has sold five at £65 a square foot. Also building or planning to build at Bedford are: Wimpey, Mucklows, Sheraton Securities, Dares Estates

and the St Martin's Property Roy Douglas, of Douglas and tech, computer firms." On the office side, "we have become quite popular because rents are cheaper than else-where in the South East. They are nudging towards £10 a square foot, while Peterbor-ough is £14 or £15."

While commercial property forges ahead in Bedfordshire, housing is different. Russell Taylor, of estate agents William H.Brown, says they are offering a modern, two-bed-room terrace house in Bedford at £49,950. Eighteen months ago, it would have fetched

Tim Palmer, of Holmes, at Luton says that some couples who bought last year to take advantage of double tax relief are now under a lot of pressure from interest rates. "Some are splitting up and handing their keys to the building societies. The value of their houses is now less than the outstanding

Co, estate agents, says he has loans. New permissions on agricultural land:county



Mr Palmer estimates the current price of a modern three-bedroom semi-detached house in Luton at between £74,000 and £78,000. Estate agents at Bedford put a similar house at £65,000 to £78,000, according to

Mr Taylor believes that newspapers have gone too far in seeing the housing market as doom and gloom. Although mortgage rates are higher, prices are down: so a buyer will not necessarily be paying more per month. First-time buyers, he says, are now get-

ting bargains. He also points out that someone moving or leaving the fam-ily home has to be in the market for somewhere to live. However, renting has become popular, and people who can-not sell their houses are letting them instead. A two-bedroom flat to rent in Bedford would be £300 a month, while the cost of buying it on mortgage could be £500 £600.

Nick Kier, of Holmes, says that first-time buyers are the liveliest part of the market. Apart from them, the demand has been met by people who must sell, whatever the discount: hence the fall in prices. A Bedford building site, for which there was once an offer of £6m, has just been sold for £2.9m. A drop in house prices has an even greater effect on land prices, because slower house sales mean higher interest charges.

Mr Kier argues that, whatever is happening now, prices are going to rise. The population of the Bedford area is forecast to go up 5,000 by 1992. A new beachpool, six-screen cin-ema and night club are planned. And, on the new trains, London is under 45 minutes away.

Several major builders have sites in Bedfordshire. Mike Davies, marketing manager for Beazer, says that builders have slowed down but are managing to sell the houses they have completed. People arrive on the site looking for a good deal, and the development market is trying to provide it. The mar-ket-place has improved slightly and we expect an uplift early

next year. "If this happens, we will be short of stock, so we are now looking to what we need to have coming out of the ground in January-February. We have brought forward the second phase of our site at Marston Moretaine, near Bedford. The first batch of 200 brochures for it was used up over a week-

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COMMUNICATIONS: David Spark on the impact of the ports and Milton Keynes

# New links will flow to east and west

BEDFORDSHIRE is a county which thought it needed better a day travel through Bedford north-south communications, and then found the problem had switched to east-west.

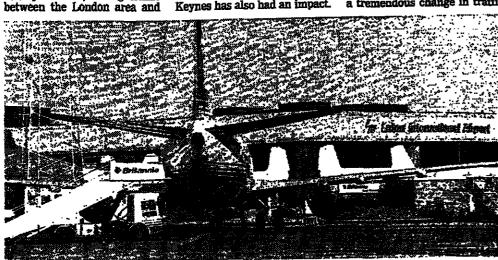
With the A1 and M1, on the county's flanks, taking traffic a day travel through Bedford on the A6. But the flow on the east-west axis is nearing 30,000 a day as Midlands traffic heads

to and from the ports.

The building of Milton
Keynes has also had an impact.

Milton Keynes traffic crosses Bedfordshire to reach both the ports and the A1. Tony Brown, the County Surveyor, says it has been hard for the normal procedures of

road planning to react to such a tremendous change in traffic



# The airport plans for 5m

LUTON Airport, which celebrated its golden jubilee and showed a \$2.6m profit before tax last year, is planning for 5m passengers a year by the mid-1990s.

The airport director, David Bates, who was formerly assistant borough treasurer, com-ments: They built the M1 one and a half miles away, and that opened the door to the airport." The number of passengers fell to 1.6m in the ecession, but has nearly doubled to 3m over the last three years.

Two-thirds travel on inclusive tours, one third on scheduled services. Most of the scheduled passengers travel between Luton and the Republic of Ireland.

Luton is the home base for Monarch, a major tour airline with scheduled services to Malta,

THE 300 state schools of

Bedfordshire, with 84,000 pupils, are going through an exciting period of change.

GCSE, which has helped to

and governors a budget to

costs independently. And soon to come are national tests of

courses for teachers to 140.

present allows only about a

TNT has also set up its UK base at Luton, helping to double the cargo handled this year. Increasing traffic means extending the terminai and building a new control-tower. A new cargo centre is also to be built, and the con-struction of a terminal for domestic flights is

about to begin.

The Luton International Airport company is wholly owned by the town council, but this could change. County Natwest has been asked to advise on raising new capital to carry out the development plans.

passes of Ampthill, Maulden and Clophill are finished, and those of Shefford, Clifton and However, the Department of Transport has now published orders for a southern by pass

Henlow will open next year. Farther south, the county for Bedford, largely across farmland. A public inquiry into council has invested £1m to the new dual carriageway is likely early next year. The plan is to link the A428, on the east side of Bedford, to the A421 in speed the building of a new road crossing Bedfordshire along the north side of Luton. The fim covers the preparathe south-west, which leads tory costs of the first section, a southern by pass for Leighton Buzzard and Linslade where, says Mr Brown, "there is trefrom Bedford to the M1 and which will become a trunk mendous traffic congestion. Only at the ends of the new

The whole place seizes up."

The Department of Transport will start building the by-pass in March.
At Luton itself, the county

To ease traffic jams in central Bedford. where the A6 crosses the Great Ouse, the county council is proposing to widen

Prebend Street Bridge

council has just built a relief road to Dunstable. Luton has an inner ring road on its west side. The council plans another short section, to make it easier for traffic to go round the east

On the A6 between Bedford and Luton, the final village by pass, of Barton-le-Clay, is now being built.

Along its roads, Bedfordshire retains 95 per cent of the bus services it had before buses were deregulated. On the London-Peterborough railway, the county council paid towards the re-opening of Ariesey sta-tion, in October last year, after 25 years. It has also agreed to pay towards re-opening the passenger service between Luton and its neighbour,

The story of Bedfordshire rallways is dramatic, with new electric trains bringing big increases in the number of passengers travelling into London. not just from Bedford and Luton but also from Biggleswade and Sandy.

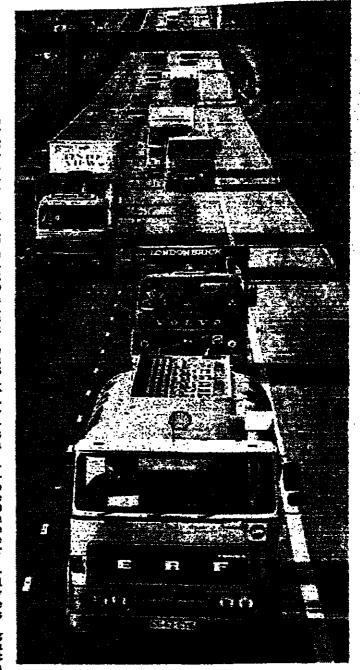
From next May, Luton will have a train into London every 10 minutes. This is because, in addition to the Bedford/Luton/ Gatwick/Brighton service (through the King's Cross-Blackfriars tunnel), there will also be trains from Luton to Sevenoaks and Guildford. On April 23, a new London station opens between King's Cross nd Blackfriars. It is called St Paul's and replaces Holborn. Chris Gibbard, the route

manager, says that he now has 60 Thameslink trains, with 26 to be built for the new services. Passenger traffic is up 10 per cent in a year on the Bedford-London service. Bedford now handles 34,000 passenger jour-neys a week (return tickets count double) and Luton

The Hitchin-Huntingdon section of the London-Peterbor-ough line was electrified two years ago, and saw an increase in passengers of between 20 and 25 per cent a year, which has now levelled off. In the year to last April, Biggleswade recorded 375,000 passenger journeys and Sandy 175,000.

Julian Crow, the route man-ager, says that Arlesey had 87,000, though it re-opened only the previous October. There are already plans to extend its car park.

Arlesey serves new housing areas near the Al for which neither Letchworth (difficult car-parking) nor Hitchin (on the wrong side of the town) is convenient.



The M1 was opened 30 years ago this month: a white paper proposes that it should be four lenes through Bedfordshire

EDUCATION: in a county renowned for its good schools, changes in the system mean . . .

# Intensive training for heads and teachers

increase the proportion of pupils staying on into the sixth form, is in place. The national curriculum is being introduced. So is local management of schools, which gives heads seventh of the school popula-tion to qualify for degree courses. David Wadsworth, Bedfordshire's chief education officer, wonders whether it is a suitable exam for the keen conmeet their schools' running what pupils can do as they fident, youngsters now enter-

progress through the schools.

All this means an elaborate ing sixth forms. Among people grappling with new problems and oppor-tunities is John Francombe, programme of training, for heads, deputies and classroom head of Sandy Upper School since it opened in 1974. The teachers. The county's brochure of management courses runs to 70 pages, that of school serves the market-gardening, lis One reform not in prospect is that of A-level, which at overspill and commuter population of north-east Bedford-

13 to 18. They range from high fliers (two got into Oxford this year) to students struggling with the basics. About half the 16-year-olds have stayed on this year into the sixth form. Mr Francombe's deputy, Ian

campuses of one of Britain's more

Third, as if to underline its uniquenes

Atkinson, is running a scheme to help teachers develop their skills. "We have a very large number of dedicated, caring taschers, who have excellent teachers, who have excellent contact with pupils," says Mr Francombe. "We are concerned meet individual needs and to understand youngsters. But we are not frightened to take shire, and has 900 pupils aged people to task where things are BEDFORDSHIRE houses two of the main

From next April, the school will run its own budget, includ-ing payment to teachers. "I like the principle of local deci-sion-making. But, as things stand, we shall be £22,000 a year worse off."

This is because the Govern-

road will there be roundabouts. The junctions between them

will be as on motorways.

What will still be needed is a new road linking the A421 to

the westbound A428, to com-

plete the semi-circle. The Department of Transport

wanted a route close to the city centre, envisaged originally as a relief road for north-south

traffic. The county council wanted a route further out.

sions," says Mr Brown.

We were at daggers-drawn until recently, when the two sides agreed to hold discus-

In its white paper, Roads for Prosperity, the Department of Transport also promised to look at the A428 between Bedford and Northampton, and

Bedford and the A1. (The white

paper also proposes making the M1 four-lane in Bedford-

shire, and converting the Al

tral Bedford, where the A6 is

the only major road crossing the Great Ouse, the county council is proposing to widen Prebend Street Bridge, and to

use disused railway land to

improve the roads north and

east-west, single-carriageway A507, linking M1 and A1, is already being improved. By

In mid-Bedfordshire, the

into a three-lane motorway.) To ease traffic jams in cen-

ment formula gives schools an average sum per teacher, but Sandy Upper School has a higher than average number of experienced, and therefore higher-paid, staff. "Is educational experience to be seen as a financial burden?" asks Mr

He is also concerned about the work-load while he, senior colleagues and support staff learn to operate the computerised accounts. Will he have to give up teaching economics in the sixth form?

One Bedfordshire state school head is already running his own budget. He is Keith Barker, of Queensbury School, Dunstable. It faced closure, because the Dunstable area has about 1,000 surplus upperbacking from the town, it opted out of county control.

just got our administration sys-tem running. We have not hit any major snags.

Queensbury's budget from the Government covers not only its running costs but also other costs still met elsewhere by the county. "That gives us a financial freedom other heads will not have." He can still

send teachers to county courses by paying for them. Queensbury adds one more to Bedfordshire's impressive list of independent schools. These are mainly in Bedford itself. "Socially, they dominate

In the 18th century, a Lord Mayor of London, Sir William Harpur, gave Bedford 13 acres (now reduced to six) in Hol-born, London. Today, the Harpur Trust which administers his gift runs four schools with associated junior schools: Bedford and Bedford Modern for

boys, Bedford High and Dame Alice Harpur for girls. Most pupils are day, though they may travel 25 miles - Bedford odern, with 1,200, runs up to 25 bus services; but Bedford School has 40 per cent board-

> Bedford Modern was rebuilt north of the town 15 years ago, and has just filled what the head, Peter Squire, saw as a gap by opening a new technology centre. For a day-boy, a year in the upper school costs \$2,736; but, for boys who win entry, Harpur money helps

towards fees, if necessary.

A Bedford initiative is giving boys and girls from 25 indepen-dent schools new opportunities to visit industrial companies, and to meet people who work in them. The Schools Industry Liaison Committee was launched by Tim Allerton, head of Bedford School's Lower

School. Bedfordshire is part of the South East and worries about soum sast and worries about the effect of housing costs on the willingness of teachers to work there. At Sandy, Mr Fran-cambe said getting good teach-ers was a major worry and that he would like higher distur-hance allowances for incomers. Mr Wadsworth, the chief

education officer, comments: "Last summer we managed to get a teacher in front of every class, but there were signs that in future we are going to strug-

Teaching needed to be made attractive. "We are asking teachers to do all this developmental work at a time whe mental work at a time when, nationally, we have not been particularly sympathetic to their salary claims, and when we have not been particularly good at saying what a good job, they are doing."

It was no good councils competing for newly qualified teachers with golden helios, said Mr Wadsworth. "We have to find, from our own communications."

to find, from our own communities, graduates and people already qualified who might go in for teaching if we can project it in the right light."

Bedford College of Higher Education is already pursuing

'I like the principle of local decision-making. But, as things stand, we shall be £22,000

a year worse off

this sort of policy. Local mature students make up 60 per cent of those training there to be primary teachers. The college has also launched access courses, to enable neople without the necessary GCEs to train. Of 17 people on this year's access course for primary teachers, eight are

from ethnic minorities.

Meanwhile, says Dr Phillip Mansell, the director, the col-lege is rushed off its feet, help-ing teachers in Bedfordshire and neighbouring counties to learn about the national curric-

**David Spark** 

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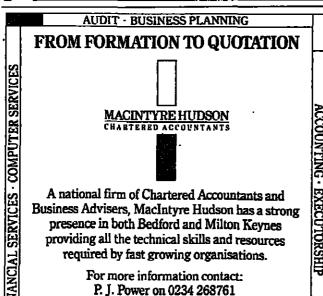
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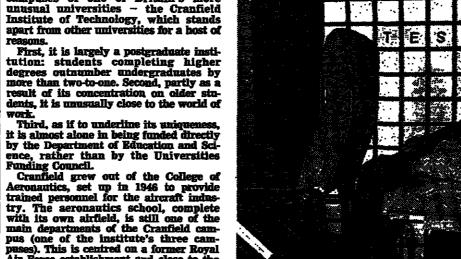
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TAXATION - RAISING FINANCE



puses). This is centred on a former Royal Air Force establishment and close to the towns of Bedford, Milton Keynes and A royal charter giving Cranfield university status followed in 1969, while the institute expanded in 1975 to take over Silsoe College (formerly the National Col-lege of Agricultural Engineering). This is situated on the institute's second Bedfordshire campus, about 14 miles from Cran-

The final major step in the institute's evolution occurred in 1984 when it assumed, from the Ministry of Defence, responsibility for the academic teaching and research of the Royal Military College of Science at Chief Paris in Wilelaking of Science at Shrivenham in Wiltshire. Some 500 undergraduates and 1,200 post-graduates now study at the institute at any one time, supplemented by 200 people on Army staff courses and some 12,000 students a year on short courses

linked to their work. The Cranfield campus itself has a more varied range of courses than Silsoe or Shrivenham. Entirely post-graduate, it lays on a large number of engineering courses, ranging from industrial robotics through to aerospace vehicle design, as well as management studies in its school

About half the students on its post-graduate courses are sponsored by their employers, while the remainder are typically looking for a career change — a move from engineering into design, for example. Most of the students, drawn from the whole of the UK and many overseas countries, live either in Cranfield's

own accommodation or in the surround-ing towns.

This mature, work-orientated student population helps to explain both the close contact between employers and Cranfield, and why Cranfield graduates are in high demand in the outside world. More than 1,000 employers are in regular contact with Cranfield, helping to supply projects drawn from real life for its post-graduate

Cranfield's research activities are heavily concentrated on applications for



CRANFIELD

# Research reduces state dependence

industry. This focus has allowed it to build up a broad portfolio of research contracts with industry, with only 10 per cent of its £20m annual research income coming from the Government's research councils.

Together with its fee income - some of its engineering courses cost more than £10,000 a year — this has resulted in a steady reduction of Cranfield's reliance on Department of Education and Science funding. The DES now provides only about 14 per cent of Cranfield's total

This diversification of its sources of funding makes the institute a model for the direction in which the Government wants the whole university sector to move

so much so that Lord Chilver, Cranfield's most recent vice-chancellor, was
chosen by ministers to chair the Universties Funding Council, the new body responsible for channelling governme

Dr Frank Hartley, Lord Chilver's successor, moved into the vice-chancellor's seat only in April, but he already has his priorities worked out.

He wants to expand Cranfield's work in biotechnology and the applied sciences, building on its existing expertise in areas like materials and electro-optics. He also expects a large increase in Cranfield's provision of short courses for employees, pointing to changes he detects in employ

ers' attitudes to releasing key staff.

Dr Hartley argues that, in the the past, companies have been prepared to release people for programmes like the MBA for a whole year, but now they prefer to release them for much shorter periods — a week or two weeks — though maybe over an extended timescale. "We are at a watershed in post-graduate study," he says.

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# 60 TO 0 IN 3 SECONDS. IS THERE NO STOPPING PORSCHE ENGINEERS?

Imagine for a moment that you are hurtling down the Mulsanne straight at Le Mans in a Porsche 962, at a speed approaching

(Depending on your disposition, this is either a dream come true or a nightmare.)

At the end of the 6 kilometre straight is a sharp and bumpy right-hander, which is coming at you with the speed of a door

slamming you in the face. Your fate, as you approach the infamous corner, is no longer in your hands.

It rests with some rather academic-looking

men miles away in Germany. At the Porsche Research and Development

Centre in Weissach, to be precise. In what seems like a split second, the car's speed has been reduced from 240 mph to

Suddenly, you have rounded the corner with consummate ease and accelerated into

3.7 minutes later, you will repeat the whole episode. If you finish Le Mans (which Porsches usually do) you will complete the exercise over 350 times during the twenty-four gruelling hours of the race.

And as you bathe in the glory of yet another success, those Porsche engineers from Weissach will have already begun the painstaking process of examining every component of the car.

Most importantly, the brakes. For with the ability to produce the awesome power of a Porsche goes the responsibility of harnessing it safely.

Which is particularly true of the Porsche in our picture, the 944 Turbo.

Its 2.5-litre, 250 bhp engine makes it one of the most powerful production cars of its kind ever built.

accelerating from 0 to 60 mph in 5.6 seconds\* in the process.

In fact, such is the respect afforded the engine by Porsche engineers, it has a braking system derived from Porsche's racing

Thus to restrain the 944 Turbo, four piston fixed caliper disc brakes are fitted to all four wheels as part of a hydraulic, front to rear dual circuit system.

(If that sounds highly sophisticated, rest assured; it is.)

Naturally, though, Porsche engineers didn't stop there.

The Turbo has a specially developed ABS

system which can increase, hold or reduce braking pressure depending on how much each tyre is in contact with the road.

So that if, for instance, an animal appears in your headlights while driving on a motorway at night, you can 'floor' the brake pedal without fear of skidding, even in the wet.

And because brakes become less efficient at very high temperatures, the Turbo's body design incorporates inlets in the nose section which 'ram' cooling air at them.

Stopping a Porsche safely, however, is not left solely to the brakes.

To create a better balanced, more stable car, our good engineers decided to break with tradition and mount the gearbox in the rear. Known as the Transaxle drive line system, it gives the Turbo virtually perfect weight distribution.

The power steering is also involved.

Unlike other systems which simply make the steering feel artificially light, Porsche power assistance adjusts the amount of power you receive to how much the car actually needs, giving you complete control at all times.

To make sure the driver doesn't feel left out of this engineering tour de force, a sophisticated electronic dashboard information system keeps you in touch with all the engine's primary functions.

### 944 TURBO

Of course, helping you control your Porsche is only one of the joys of being a Porsche engineer.

Talk to them about the smoothness of the Turbo's engine and they will wax lyrical about the lack of vibration courtesy of the dual balancer shafts.

Approach them on the subject of its performance and they will give you chapter and verse on the racing pedigree of the engine and the fact that even the catalytic converter does not affect the enormous power output.

Casually enquire about the stability of the Turbo and they will bend your ear concerning the new rear spoiler, the low profile tyres, the limited slip differential and the famous ground effect' technology, which uses air flow under

the car to reduce lift at high speeds.

Indeed, give them a chance and Porsche engineers will go on for hours about their job. Which is only to be expected.

After all, for years they have designed cars that have served as examples of technical excellence to every car maker in the world.

The 944 Turbo is but one example. The 911 Carrera 4 all-wheel drive is another. The 5speed 928 GT, yet another.

Is there no stopping Porsche engineers? What do you think?

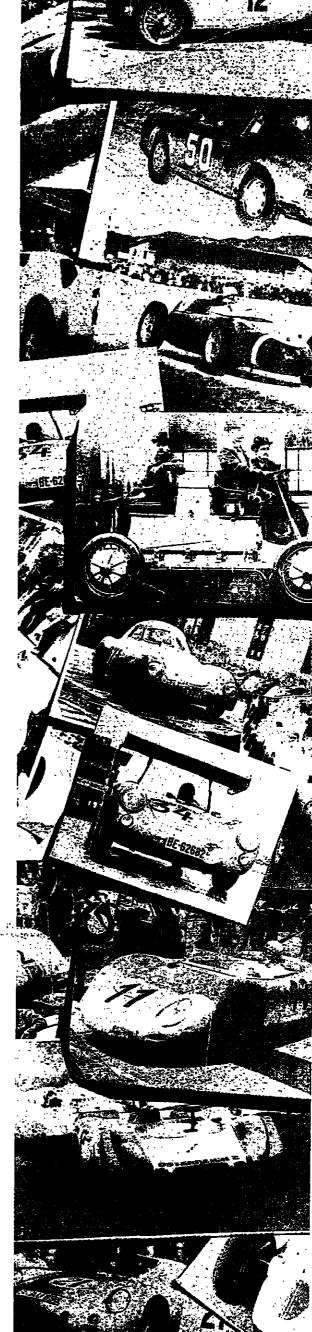
To see a 944 Turbo stopped in its tracks, contact your local Official Porsche Centre

listed in Yellow Pages. For further information on the 944 Turbo, Diplomatic Sales or tax exempt personal exports, contact Customer Relations, Porsche Cars Great Britain, Freepost, Reading RG1 1BR. Tel: 0734 323959. Fax: 0734 303713. Telex: 846465. Porsche 944 Turbo price at

1st September 1989 £39,893. \*Car Magazine. The Porsche Crest and Script are the registered trademarks of Dr. Ing.h.c.F. Porsche AG.

PORSCHE

DRIVING IN +TS PUREST FOR





alented software writ-ers can command pre-mium salaries and conditions wherever they work. In the Soviet Union they are looking for one partic-

they are looking for one particular perk: salaries in hard currency rather than in roubles.
"To motivate the people you want to work for you, you have to give them the goodies," says Richard Handyside, managing director of Autodesk UK, part of the US computer-aided design company. "The top programmer is not going to work for a western company just for for a western company just for roubles. What can they spend them on?"

The moves by Russian software experts to write programs for export to the West are being blessed by the Soviet authorities. They believe it will bring foreign currencies into the country and allow the Soviet Union to trade on equal terms with Europe and the US. "It's hard to trade equally if all you have to offer in return is low quality light bulbs, timber or stones from Russian quar-

ries," says Handyside. Payment of Soviet citizens in Payment of Soviet citizens in foreign currency — particularly bonuses for completing work to schedule — is also seen as a way to motivate individuals and change Soviet working practice. Vitally Boyko, head of the "electronisation" (the application of electronic) department of electronics. tronics) department at the State Committee of Science and Technology, describes these programmers as "the future" of the Soviet Union.

To sell Russian software overseas, and to bring urgently needed western software pack-ages into the Soviet Union, the ages into the soviet official authorities are pinning their bopes on joint ventures set up between US or European software houses and Soviet ones.

Autodesk, for example, has

set up a joint venture with the co-operative Infograf, called Parallel. Software house Ashton-Tate is also setting up a venture in Leningrad with the Institute of Informatics and Automation, part of the Academy of Sciences.

But for these joint ventures to flourish, some ingrained Soviet business practices have to be stamped out. In particular the Russians' failure to uphold commercial copyright. Software piracy, heavily frowned upon in the West, is endemic in the Soviet Umon. Some people, such as Boyko, believe the problem is a hang-over from the days when everything was communal

Others, such as Bruce Marquart, business development manager in Europe for AshDella Bradshaw explains how Russia is looking to the West for joint ventures and hard currency

# Soviet software's great revolution

he says, that by using Russian versions of hijacked US or European packages – full of mistakes and sold without sup-

port or upgrading - they are

limiting efficiency. Boyko sums up the software market as possibly the only free mar-

ket in the Soviet Union. He points out that software prod-ucts are selling for whatever price the market can stand. Soviet software companies

are mirroring their western counterparts of 10 or 15 years ago. They are being set up by a

handful of entrepreneurial sci-entists or software writers with individual ideas — a far cry from the unwieldly bureau-cracy of the state-sponsored

factories of the pre-Gorbachev



ton-Tate, believe it characterises the transition period from an industrial to an information society. Whereas people pay, and pay well, for computer hardware, they want the soft-ware for nothing.

Although the Soviet Governnt issued a set of rules condemning software piracy in 1988, they have not yet become law, and are unlikely to become so for three years.

Marquart believes, however, that it will be peer pressure which will eventually curb auch copying. "They have a big software industry within the Soviet Union that they want to grow. And they can't grow if copying continues," he says. The authorities now realise,

such as the Soviet founders of Parallel, are from the academic community, where most of the hundreds of Soviet programmers work. Their strengths lie in mathematical and technical programming. Boyko com-plains that Soviet program-mers do not like the majority of Western expert systems because they contain weak mathematics.

Parallel has produced a auto compiler for the computer lan-guage Lisp, which has been incorporated in software sold by Autocad in the UK. It is already used in about 200 com-

And Ashton-Tate is selling software written by its future partner for use with the US-de-veloped Framework II word processing and spreadsheet package. The add-on software, called Informontage, allows users to work on the same document in either English or

Spartak Chebotarev, manag-ing director of Parallel, which has a staff of 18, believes that the Soviet hierarchy now supports such small businesses as the engine for economic growth in the Soviet Union. Parallel is already profitable, reports Chebotarev, even though it only registered last January. As well as selling software to Autodesk for starling, the company sells Auto-desk's computer-aided software in the Soviet Union for hard

Any software written by Par-allel is also sold within the Soviet Union for roubles. But as Chebotarev explains: "We can get as many roubles as we want. How to earn foreign currency is our main tre-occupa tion. But that situation will

change."
Western companies believe that the Soviet Union will not only prove a big market for their software, but that the highly-qualified software writ-ers there could form a cheap labour force. "We can employ three of them for the price of

one in the West," says Floyd Bradley, vice president and general manager of Ashton-

Tate in Europe.

Meanwhile the Soviet authorities look to ventures such as Parallel as a model for other home-grown software companies. Chebotarev says companies. Chebotarev says his company has learnt several lessons from its associations with Autodesk, in particular on quality control. "We have learnt to pay as much attention as possible to minor details," says Chebotarev.

Sales and marketing experies were lacking at Parallel

tise were lacking at Parallel, he admits, as well as training, support and documentation. There are many software houses who may produce bril-liant software but we know of nobody who is able to produce good documentation."

Boyko complains that although Soviet programmers can write excellent software, they are not geared to exploiting it in the marketplace. Typi-cal of this attitude is the prestical of this attitude is the pressi-gious Academy of Sciences in Moscow. They have developed a personal computer operating system similar to MS-Dos, but which is multi-tasking (it can perform several tasks in differ-tory parts of the machine simulent parts of the machine simul-

Called the unified operating system, it is available in both Russian and English. But Igor Landau, chief of department at the institute of informatic problems at the Academy of Sciences, says that there are only about 10 users, and no plans to export it. "It's designed for the Soviet Union," says Landau. "We don't know what they want in the West."

The demand for software is clearly set to grow. Although there are only about 300,000 PCs there at the moment, the country would have to make or import between 20m-30m over the next few years to satisfy demand, says Boyko. Demand for PCs has risen so

quickly in the Soviet Union that thefts and even murder are becoming commonplace in the quest to own one. To prevent the build-up of that situation, the Government ruled that from last August Soviet citizens travelling overseas could bring one PC each back into the country without hav-ing to pay tax on it. Customs officials at Moscow airport register between 400-500 PCs coming into the country legally

According to Boyko, many people visit relatives in the US simply to buy a PC. When they return home they sell it to a second-hand shop and buy a motor car with the proceeds.

# Hidden depths of an accidental discovery

Steven Butler looks at Chevron's efforts to recover oil from an unusual reservoir in the North Sea

he Alba field, with 250m barrels of recover-able oil reserves in the North Sea, is moving closer to development as Chevron, the US oil company, wrestles with the unusual technical prob-

lems posed by the field.

Chevron hopes to submit a final development plan to the UK Government late next year after completion of a current round of appraisal drilling and a final periors of all december. a final review of all develop-ment options. It is expected to cost more than £750m.

Alba was discovered by acci-

ient in 1984 in the relatively shallow Eocene geological layer beneath the ocean floor, about 150m northeast of Aberdeen. This layer was not famil-iar to petroleum engineers, who are accestomed to deeper formations. Characteristics of the Eocene formation made it difficult to assess the size and shape of the reservoir and introduced uncertainty about

how the reservoir would per-form once in production.

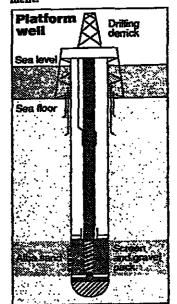
Chevron was initially looking for a deeper structure when its drilling crew plowed into an oil reservoir that was undetected in earlier seismic surveys. The reservoir is located in 450 feet of water, 6,500 feet below the ocean floor. The relative invisibility of the reservoir is one reason why the reservoir has proved difficult to chart.

Chevron has so far identified about the barrels of oil in place, spread out in a thin layer 8km long and 1.5km wide. It expects to produce about a quarter of that.

The current three-well drilling programme is probing a possible extention to the reservoir. The elongated shape of the reservoir poses one devel-opment difficulty – hitting it all from a single point. Others are caused by the water, which lies under 70 per cent of the reservoir and threatens to come up with the oil; the loosely packed sand which contains the oil but which may flow out with it; and the high viscosity of the oil. Alba oil is heavier than the typical North Sea crudes, and less valuable. Initial development plans

were for a single central plat-form with long wells deviated (sent out at a steep angle into the far reaches of the reservoir). To house all the needed equipment, however, this would have required one of the biggest and most expen-sive platforms ever built in the North Sea.

The concept was rejected and instead Chevron is examining options to develop the reservoir in phases. This offers the attraction of testing production techniques in part of the field before making a final commitment to full develop-



A proposal to install two smaller fixed platforms has not been rejected, but Chevron is looking at possibilities of using very light platforms linked to floating storage units with some processing equipment aboard. Or, even doing away with the platforms and housing all processing equipment aboard floating vessels, either ships moored at rotating turrets placed midship, or semi-submersible rigs tied to wells completed on the seabed by flexible tabing.
By going for the latter options Chevron would be test-

ing out some of the latest pro-

duction technologies. Subset completions involve a lower capital cost by eliminating the need for structures to hold up platforms, but operating costs can be significantly higher because the wells are more difficult to service. On a plat-form, wells can be accessed as on dry land. A fixed pletform becomes more attractive when production volumes are higher and when field life is expected

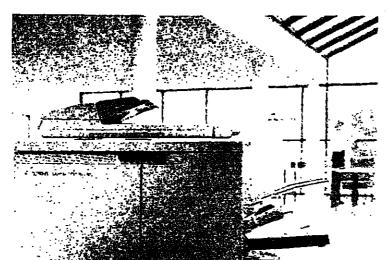
Whichever arrangement Chevron selects for housing processing equipment it will face uncertaintles over the performance of the wells. It performance of the wells. It will first have to devise ways of keeping loose sand from flowing into the wells along with the oil, because this would be highly corrosive for pipes and processing equipment. This can be achieved by packing fine gravel around the bottom of the well, which acts as a fifter, allowing the oil to as a filter, allowing the oil to flow but screening out nearly

all of the sand. While gravel packing is a broadly proven technology, the need for high angle (horizontal) drilling to shoot the wells out into the reservoir could make installation of the gravel packs more difficult. Chevron also expects to be producing a relatively high proportion of water quickly, as the water flows up to replace the more viscous oil which is being produced. Separation is a straightforward process, although Alba cil must be treated at a high temperature — 90 deg C — because of its

high viscosity.
Sam Beeler, the project manager, says the early water production will not make production of the off meconomic. But it does introduce some uncertainty into how the reservoir

will perform.
The Chevron experience in Alba will be watched keenly by the rest of the oil industry. The accidental discovery of Alba prompted a rethink of oil emploration strategies, in particular, looking more carefully at other potential Eocene reservoirs. That interest will intensity if Chevron proves it can be produced economically.

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### **FINANCIAL TIMES CONFERENCES**

WORLD SHIPPING IN THE 90s Amsterdam, 14 & 15 November, 1989

The FT proposes to stage a major conference to coincide with the Europort 89 Exhibition. After the difficulties of the past few years, the hopes and signs are for a recovery in the world shipping industry. The aim of this conference is to examine current trends and look at the industry's prospects and opportunities for the long term. Speakers taking part include: Henk Rootliep, Royal Nedlloyd Group; Hans Jakob Kruse, Hapag-Lloyd; Erik Toenseth, Kvaerner Industrier; Jeremy Smith, Liberian Shipowners Council; Ernest Fong, Marine Navigation Co and Hiroshi Takahashi NYK Line Navigation Co and Hiroshi Takahashi, NYK Line.

THE FOOD AND DRINK INDUSTRY IN London, 28 and 29 November, 1989

The 1989 FT Food and Drink Industry conference features papers by Ray Mac Sharry, Brussels Agriculture Commissioner, John Gummer, MP, the new British Minister and industry leaders including Camillo Pagano of Nestle; Professor David Stout, Unilever, George Bull, International Distillers & Vintners; Michael Jordan, PepsiCo Worldwide Foods; Michael Foster, Courage Limited; Anthony Greener, United Distillers plc and Domenico Barili of Parmalat SpA.

This year's meeting will look at restructuring for 1992, developments in the actual marketplaces of Europe and the crucial issue of safety and standards. Riccardo Perissich will comment upon the Commission's design for the Community Internal Market and how it will affect the food and drink

WORLD BANKING: EUROPE AFTER THE **DELORS REPORT** London, 30 November & 1 December, 1989

The keynote speaker at this year's World Banking Conference will be Jacques Delors, President of the Commission, who will review developments since the publication of his Report on European Economic and Monetary Union. Peter Lilley, MP, the new Financial Secretary, will discuss the attitude of the British Government and John Smith, Shadow Chancellor of the Exchequer will give an Opposition view. A number of experts including some enthusiastic for the Delors blueprint, others reserved and others oppose, will speak on the Report and possible alternative approaches. They include Samuel Brittan, Lord Jenkins, Dr Roland Vaubel, Giles Keating and Professor Patrick Minford. Alan Clements of ICI will give the view of a leading European corporate finance officer and Stanislas Yassukovich who co-chairs with Lord Roll will address the conference on the impact on London, a subject that also features a contribution by Peter Leslie of Barclays. After the recent Spanish decision to join the EMS, there will be particular interest in the contribution by Miguel Boyer of Cartera

All enquiries should be addressed to: Financial Times Conference Organisation, 126 Jermyn Street, London SWIY 4UJ Tel: 01-925 2323 (24-hour answering service) Telex: 27347 FT CONF G Fax: 01-925 2125

### FIDELITY GLOBAL INDUSTRIES FUND 5, Boulevard de la Foire R.C. Luxembourg B 24816 Notice of Annual General Meeting NOTICE is hereby given that the Annual General Meeting of the shareholders of FIDELITY GLOBAL INDUSTRIES FUND, a

snatehologis of FIDELITY CHOBAL INDUSTRIES FUND, a société d'investissement à capital variable organised under the laws of the Grand Duchy of Luxembourg (the "Fund"), will be held at the registered office of the Fund, 5, Boulevard de la Foire, Luxembourg, at 11:00 a.m. on November 30, 1989, specifically, but without limitation for the following purposes:

1. Presentation of the Report of the Board of Directors;

2. Presentation of the Report of the Auditor:
3. Approval of the balance sheet and income statement for the fiscal

year ended July 31, 1989;
4. Discharge of the Board of Directors and the Auditor.

4. Dectarge of the Board of Directors and the Auditor.

5. Election of seven (7) Directors, specifically the reelection of the following seven (7) present Directors: Messrs. Edward C. Johnson 3d, William L. Byrnes, Charles A. Fraser, Jean Hamilius, Hisashi Kurokawa, John M.S. Patton and H.F. van den Hoven;

6. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxembourg;

7. Consideration of twels beginner as a continuous description.

Lybrand, Luxembourg;
7. Consideration of such other business as may properly come before

Approval of the above items of the agenda will require the Approval of the above items of the agenda will require the affirmative vote of a majority of the shares present or represented at the Meeting with no minimum number of shares present or represented in order for a quorum to be present. Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A shareholder may act at any meeting by

proxy.

Dated: October 27, 1989

BY ORDER OF THE BOARD OF DIRECTORS

# COMBAT STRESS

Terhaps the bravest man Iever knew... and now, he cannot bear to turn a corner

Skriookidus Sergeant Tiny GY\*\*(e. DCM, was perhaps the bravest man his Colonel over lanex.

But now, after seeing service in Aden, other halms havehalternamed and greekunder. after being booby-trapped and ambusts at Northern Ireland, Sergeant Tiny' cannot bear to turn a corner For fear of

cannot bear to turn a corner. For lear of what is on the other side.

It is the bravest riven and women from the Services stat suffer most from mental breakdown. For they have tried, each one of them, to give more, much more, than they could in the service of our Country.

We look after these brave men and women. We help them at howe, and in hospital. We run our own they can see out their days in peace.

These men and women have given their minds to their Country. If we are to help them, we must have funds. Do please help us with a donation, and with a legacy to no, perhaps. The debt is owned by an of us.

please give as much as you can."	STE
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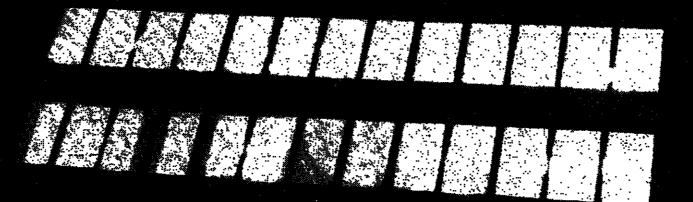
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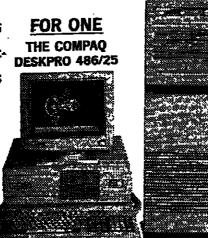
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### THE PROPERTY MARKET

PARIS'S GOLDEN triangle is get ting more and more golden. The sale last week of Philips's Pari's office building for FFr 1.43bn rubs home the point setting a new record price of around FFr 110,000 per square metre, writes George Grahar u.

Grahar it:

Two tecent sales had established a plateau around FFr 80,0 10 per square metre: the head quarters of Pechiney, the aluminium and packaging company, on rue Balzac, for FFr 2.76bn, and the former Shell oil ct unpany building on the rue de .Berri, near Champs Elysées, for FFr 3.76bn.

The Philip's building is at an

The Philip's building is at an even more prestigious address. on the Avenue Montaigne, nes ling among the boutiques of Paris's haute couture hous The buyer, Arc Union, part of the Worms banking group, is buying the property in part-nership with a group of banks

MORE MERGERS and new affiliations among chartered surveyors provide fresh evidence that the profession is under pressure. The moves in the profession are, at once, part of a longer trend of realignment among competing practices and a reflection of the need to find a safety net for the future, writes Paul

In recent weeks Edward Erdman has disclosed plans to merge with Auguste Thouard of Paris. More recently Stewart Newiss threw its lot in with Colliers International, a federation of independent sur veyors spread across the world but especially strong in the

and construction companies.
It plans to build, "a unit of international class combining offices and some commercial space of exceptional quality."
The group has retained three French architects. Pierre Epstein, Sylvain Glaiman and Olivier Vidal, as well as and the US group Kohn Pedersen

Fox Conway.

Buildings like the Philips,
Shell or Pechiney offices represent the cream of the market.
A few other properties, such as the Au Trois Quartiers depart-ment store near the Madeleine, or the small buildings sur-rounding the Place de l'Etoile, carry the same kind of prestige and command similar prices. But in the rest of the golden triangle, stretching between Neuilly in the west, the Concorde in the east, and the Bou-

levard Haussmann in the

north, the trends are more

US. And, in the north west of

England, Chesters, Hedley

To the west of the city, demand has also been strong. Annual office rents in the best areas of La Défense have

areas such as La Défense.

The result has been a level-

ling out of overall supply and demand within the golden tri-angle area, but much stronger demand in some other zones

like the left bank or the Opéra-

Paris is still golden climbed to FFr 1,350-2,300 per square metre, according to While the demand for property from big institutional investors continues to be agents Bourdais, catching up some districts of Paris though investors continues to be strong, with Japanese and Scandinavian groups as well as UK pension funds buying heavily, many groups are following Pechinery and Shell and moving outside the Paris city limits, to newer development

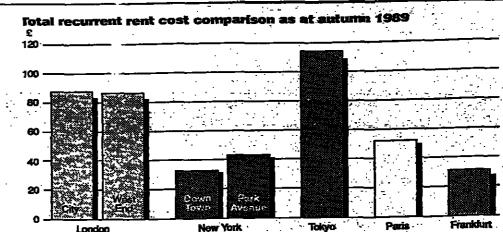
still behind top areas like the 6th, 7th and 8th arrondisse-Determined Government efforts to shift office development more to the east have so far had only limited success

Housing prices within the Paris city limits have shown a more dramatic rise. Old flats have doubled since 1983 to average FFr 15,581 per square metre last year, according to the Chamber of Notaries.

But the new rent law intro-duced by the socialist govern-ment earlier this year is likely to lead to more rigidity in the

rental market and thus to reduce the interest of institu-tional investors in this sector of the property market. Yields have been declining steadily for some years, despite a surge under the effects of the more liberal rent act in force from 1987-88 under the last right

Paris housing rents remain among the most expensive in Europe, though still well behind Tokyo and New York, while in the office sector, rents remain just ahead of Stock-holm, though behind Geneva. The market is expected to remain strong for some time, however. Mrs Claire Rodrigue, of stockbrokers Tuffier Ravier Py, explains that domestic investors will still have to



noted, the classic business text

book problem: stretching lim-

ited resources across a wide

range of activities and failing

to find the funds to expand.

This factor largely explains the chain of mergers and takeovers which has been taking place ever since, four years

40 per cent of their portfolios in property, while foreign investment has doubled over remain active in the market, because of the obligation for insurance companies to keep

the last four years and now accounts for more than 10 per cent of the total office market. more internation

19.11 19.1

多的是是1000的是一种的自己的。 我没有对方,是是一种的一种,我们就是一种的一种,也可以是一种的一种,也可以是一种的一种,也可以是一种的一种,也可以是一种的一种,

# Chartered surveyors under pressure

Reddish and John Alker have decided to merge.

In the immediate future, it veyors. The first comes from outside, the second from is expected that Hamptons will be sold by British & Common-wealth Holdings. If the latter also disposes of Abaco, then the future of Lambert Smith & Hampton comes into play. If Morgan Grenfell is taken over it is legitimate to ask what will happen to Morgan Gren-fell Laurie. All of this uncertainty only serves to indicate that, for chartered surveyors, there is not necessarily a guar-

within the profession itself.
Outside, the deregulation of the financial markets has splintered the barricades of professional exclusivity, offering chartered surveyors the opportunity of getting closer to the capital markets but permitting banks and accountants to eye the traditional territory of chartered surveyors.

But the expansion of property lending by the banks, and the accompanying buying in of property expertise the better

to support that lending, have taken the banks directly into the territory of chartered surveyors. Deals get driven from the financial rather than the property point of view.
The second point about out-

side pressures concerns the state of the market. In recent years there has been an abun-dance of work. Chartered sur-veyors have expanded rapidly — indeed, they still are. But if the market turns down, those practices which obtain most of their revenue from agency work, as opposed to profes-sional services, may be dan-

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gerously exposed, as residen-tial estate agents have been. Competition among the surveyors will become increasingly severe. But it is has been the existence of that competi-tion which has been the main pressure for change inside the profession as the large prac-tices have worked to keep their pre-eminence and the smaller practices have to dig

deeper into their niches.

The problem has always been with the medium-sized practices. They present, as Christopher Jonas, the senior partner at Drivers Jonas

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ago, the Royal Institution of Chartered Surveyors accepted that practices could take in outside capital. The other side of all this has

been the expansion abroad as chartered surveyors bave sought to ready themselves for increasing business as trade barriers drop in the European Community and as the prop-erty market itself becomes The bread and butter prop-erty business can only be done on the spot. Real estate is a local business but it will be more and more influenced by the globalisation of the financial markets," com Stewart Forbes, president of Colliers International. The strength of the surveyors is their local knowledge.

TOTAL RETURNS (%) Year to September 89 Quarter to September 89 Month of September 89 22.4

antee of security in the shelter of a larger financial group.

Broadly, there are two sets

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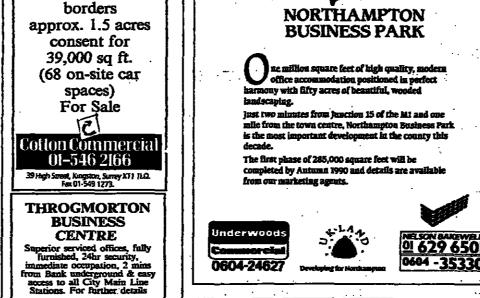
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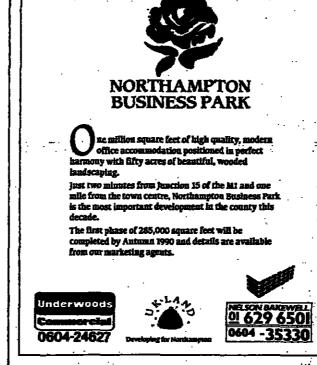


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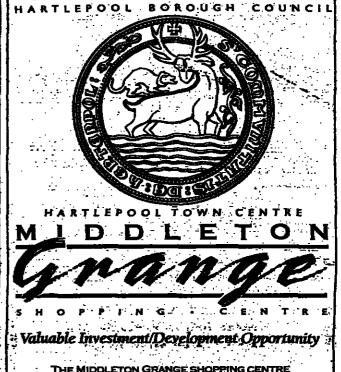




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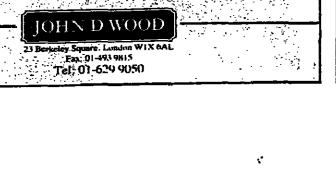
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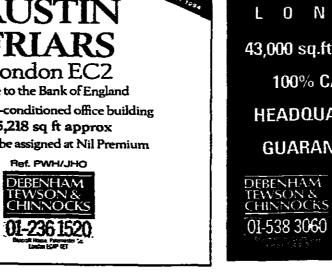
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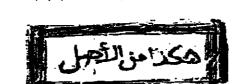
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### COMPANY NOTICES

### EAST RAND GOLD AND URANIUM **COMPANY LIMITED**

(Regardation No. 71/07/01/00)

Notice to holders of 15.5 per cent unsecured convertible debentures 1988/1991 - interest payment no. 11

# **WESTERN DEEP LEVELS LIMITED**

(Registration No. 5702.149806)
Notice to holders of 12 per cent unsecured debenture 1986/1993 - interest payment no. 19

Notice is hereby given that the transfer registers and registers of debenture holders of the above mentioned companies will be closed from November 25 to December 9 1989, both days inclusive, for interest payment purposes.

By order of the boards
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per A J S Sebba, Divisional Secretary Registered Offices:

44 Main Street Johannesburg 2001 (PO Box 61587 Masshalltown 2107)

November 10 1989

### **PUBLIC NOTICE**



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London Office:

London ECIP IAJ

**GGG** 

The Monopolies and Mergers Commission would like to hear from any person or organisation with information or views on Michelin Tyre plc's acquisition of National Tyre Service Limited.

Tyre Service Limited.

The Commission will in particular be studying the possible effects of the acquisition on the supply of replacement tyres for cars and trucks.

The Commission would like evidence in

writing by Friday 24th November to be sent to The Reference Secretary (Michelin/NTS Inquiry). Monopolies and Mergers Commission, Room 642, New Court, 48 Carey Street, London WC2A 2JT.

CANADIAN NORTH **COMPANY NOTICES** ATLANTIC WESTBOUND FREIGHT CONFERENCE NAM PACIFIC LIMITED

CANADA - UNITED KINGDOM FREIGHT CONFERENCE NOTICE TO SHIPPERS AND CONSIGNEES BUNKER ADJUSTMENT FACTOR (Incorporated in Canada) CANADIAN PACIFIC LIMITED PERPETUAL 4% CONSOLIDATED ENTURE STOCK NEW SENTURE STOCK CALGARY & EDMONTON RAILWAY COMPANY

The Member Lines of the above Conferences operating services between the United Kingdows, Northern Iroland and the Republic of Ireland and Consigna Maritime, St Lawrence River and Great Lakes Ports would refer Shippers and Consignous to the press amoustnessent in September, the concluding paragraph of which indicated the intrastion of the Member Lines to continue to review banker costs monthly and to amouston any changes to the Buster Adjustment Pactor physike only when warranted.

The result of the Lines' October review has indicated a necessity to introduce the following Bunker Adjustment Factor with effect from 1st December 1989.

The Measher Lines will continue to review bunker costs and any firether change in the amount of Bunker Adjustmont Paster payable will be associated when waterasted.

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**LEGAL NOTICES** 

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red number: 1519041

Date of appointment of joint admi-

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Name of person appointing the joint adminis

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Minister of Posts, Telecommunications & Space, France

Dr Christian Schwarz - Schilling

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Commission of the European Communities Dr Pekka Tarjanne International Telecommunications Union

(from November 1989) Mr Alfred C Sikes

Federal Communications Commission Professor Diodato Gagliardi European Telecommunications Standards Institute

Mr Wolfgang Buchholz Siemens AG

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DELORS REPORT

London 30 November & 1 December, 1989

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### **EXHIBITIONS**

### London

The Royal Academy. The Art of Photography 1839-1989; in celebration of the 150th anniversary of the first practical demonstrations of the medium, this large and impressive exhibition leads the visitor through the practical developments and assettetic variations and experiments in the ations and experiments in the use of the medium, from the work of the earliest pioneers in France, England and Scotland,

up to the present. Daily until December 23. Gauguin and the School of Pont Aven — a fascinating study of the prints made in the 1880s and 1890s by the loose society of art-ists that came together at Pont Aven in Brittany, of which Gau-guin was the leading but not necessarily, at the time the cut. necessarily, at the time, the outstanding figure.

Musée des Arts Decoratifs. Je suis le Cahier - Picasso's sketch-books. After two years of mean-dering the world over, the exhibi-tion ends, aptly, in Paris, 107, Rue de Rivoli (42603214), closed Tue. Enda December 31.

Tue. Enda December 31.

Musée des Arts Decoratifs. Bohemian glass 1400-1989. Some 200 exhibits, among them the famous ruby-coloured glass, show how — having freed themselves frum Venetian influence — the glass-makers of Bohemia carried the art of cutting and engraving and painting to such perfection during the baroque period that the renown of Bohemian crystal conquered countries as far apart as Spain and America, Egypt and Ireland. 107, rue de Rivoli (42603214). Closed Tue, ends Jan 28.

The Louvre. Arabesques et Jar-dins de Paradis. The beauty and richness of nature is a leitmotiv which runs through Islamic art from Spain to India, from the sh to the 18th century 234 exhibits, miniatures and manuscripts, textiles and ceramics show the unifying force of this inspiration which ranges from the decorative to the symbolic.

Institut du Monde Arabe. Egypt-Egypt. An exhibition of 25 chef-d'oeuvres, including the most recent finds, starts with statues and bas-reliefs dating from the middle-empire, continues with a golden crown of a high priest

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of Osiris with some elements of Roman art and Coptic icons and concludes with Islamic exhibits. I, rue des Fosses-Saint-Bernard (closed Mon). Ends Jan 14 (40513838).

The Louvie and the Chateau de Versailles, David A retrospec

The Louvier and the Consequence of 84 paintings and 165 drawings is held simultaneously in the Louvier and in the Chateau de Versailles.

267, rue Saint Honoré (42601503).

### Martigny

Moore retrospective of some 50 sculptures, 80 drawings shown in rotation and 60 engravings is as impressive by the judicious selection of exhibits, as by the exceptional location for 12 of the monumental statues in a park with Alpine peaks as a backdrop. Ends Nov 19 (026-223978).

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Portuguese influence on Japanese painting and the Splendour
of No Theatre shows props and
costumes from the Rokuro Umewaka Collection, Closed Mon.
Ends Dec 17.

Musées Royaux des Beaux-Arts. The Human Figure: millennia

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of Japanese art — an overview of Japanese art from 3000 BC to the 19th century which ends

Banque Bruxelles Lambert, 6 Place Royale. Japanese Buddh art 7th to 19th century. Daily ends Nov 26.

Museum of Modern Art (Muhka) 32 Leuvenstreat. New tools - New Images: art and technology in Japan today with installations by Tatsuo Miyajima, Tsuneo Nakai. Closed Monday, ends Dec 3

### Madrid

Fundacion Caja de Pensiones.
Arshile Gorky. Excellent chance to see a selective exhibition of this Armenjan-born US painterin Europe. Gorky is considered a vital link between modern European art and American abstract expressionism. Closed Tuesdays.
Ends Dec 23 Ends Dec 23.

Museo de Arte Moderno. Show-ing of modernist posters belong-ing to the museum's collection. An important selection consist-ing of 70 posters by renowned turn of the century artists: Mucha, Steinlen, Toulouse-Lau-tres Clearet etc. Ends. Not. 28 trec, Cheret, etc. Ends Nov 26.

Beethovenhalle Bonn. 50 por-traits of Beethoven by the Ameri-can pop artist Andy Warhol.

Bruecke Museum, Bussardsteig 9. A Franz Marc retrespective with 180 drawings and aquarelles (1880-1916) most of the German expressionist painter's works, can be seen for the first time

Kunstverein, am Markt 44. A

"Prospect photography" to cale-brate the 150th anniversary of the invention of photography with 130 works from around 30 photographers and artists. Ends Nov 26. Munich

Städtische Galerie im Lehmbach-haus. The most complete retro-spective of the expressionist painter Karl Schmidt-Rottluff to date with almost 370 works from 70 private and public collec-tions.

Stadtisches Kunsimuseum, Rathausgasse 7. Glanzlichter, 40 years of government support for art. This exhibition shows for the first time selected works of art from 11 centuries and attempts to present an impres-sion of all aspects of culture dur-ing this period, with the help

= (> --

Museum for Applied Arts is hosting a large exhibition devoted to the works of Carlo Scarpa, the Italian artist and architect.

The theories forestone or "The The theme is focusing on "The Other city". Until Jan 15.

Palazzo Venezia, Iriarte: ancient raiszo venezat. Harte, attent and modern in the IRI collection. The state holding group is show-ing for the first time some of its fine collection of sculpture, paintings and tapestries deting paintings and tapestones atting from the classical Roman period up to the present day, normally split among the headquarters of the various companies.

Castello Sforzesco, Unknown Treasures from the Moscow State History Museum. Over 500 pieces of applied art including gold and silver embroidery, lace, brocade, icons, jewellery and costume covering three centuries, chosen from from a collection of over 4m pieces, Ends Nov 22.

THEATRE London

Anything Goes (Prince Edward). Cole Porter's silly ocean-going 1930s musical has four or five marvellous songs and Elaine Paige failing to emulate Ethel Merman. Jerry Zaks's desper-ately bright productions stars and from the Lincoln Center in New York and is under

2420).

A Life in the Theatre (Haymarket). Slight but enjoyable David-Mamet early play anglicised to reflect the last days of weekly rep and notable for the return to the stage of a silkily accom-plished technician, Denholm Ellinsten Germann, Jemman Ed lott (330 9832). Ends Dec 2. Jeffrey Bernard is Unwell (Apollo). Brilliant performance by Peter O'Toole as an alcoholic iournalist who embodies a Faljournalist with emotiles a rar staffian, nay-saying life force while committing public suicide by vodka. Ketth Waterhouse has stitched a fine play, the season's highlight, from Bernard's own

writing. Ned Sherrin directs (437 2663).

A Little Night Music (Piccadilly).
Fine revival by lan Judge, imported from Chichester, of Sondheim's 1973 schlagobers version of a Bergman film. A beautiful score, composed mostly in waliz time, is touchingly performed by Lila Kedrova, Dorothy Tutin (her best work in years), Peter McEnery and Susan Hampshire (867 1118).

(867 1118).

A Flea in Her Bar (Old VIc). Feydeau's farce in the John Mortimer translation spiritedly done as German Expressionist nightmare by Richard Jones and the mare by kichard Jones and the Quay Brothers, the directing and design team on WNO's Love of Three Oranges. Jim Broadhent leads good cast as the discomfited insurance manager and his doppelganger, a drunken hotel porter. An interesting, emjoyable, unfairly derided exper-

New York

Mew York
Metropolitan Museum. A decade
of fabulous shows borrowed from
around the world culminates
in the present exhibit of the
major works of Velazquez, much
of which is borrowed from the
Prado in Madrid. Ends Jan 7.
Whitney Museum at Philip Mosris. This exhibit of Isamu Noguchi's scripture portraits justifies
the proliferating vest-pocket galleries that have come to replace
building lobbies in the 1980s:
23 pieces that mark a departme
for the abstract scriptur, though
rather abstract for the genre.
Ends Dec 6. 42nd & Park.

Washington

Birshorn Binseum. The first retrospective in America in a quarter century celebrates Francis Bacon's 80th birthday with a comprehensive review of his prolific carear. The three-city US tour begins here with 60 works, a surprisingly large number of which are highlights of contemporary art. Ends Dec 7. National Gallery, A major international collaboration showing the major works of Frans Hals outside the Netherlands for the first time starts here with more first time starts here with more than 50 paintings; next year it travels to the Royal Academy

# in London and the Frans Hals museum in Holland. Ends Dec 3.

Chicago Art Institute. Fixing the Shadow shadows the history of photography at its 150th anniversary. Of the millions of possible contributions, the exhibit focuses on 400 pieces by 200 photographers organised chronologically. Ends Nov 16.

### Tokyo

Suntory Museum. The Fujinoki Tumulus. This 6th century burial mound has yielded a host of treasures that throw considerable light on early Japan. Finds from other tombs of the same period are also displayed. Glosed Mondays. Ends Nov 19. Teien Museum, Meguro. Yasuo Kunlyoshi. Retrospective to mark the centenary of a Japanese artist who emigrated to the US as a teenager. Sezon Museum of Art. Vienna in the 1908. The former Selbu Sezon Museum of Art. Vienna in the 1908. The former Selbu Museum has moved to a new site in Minami Ikebukero and opens with a major exhibition focusing on Klimt, Schiele and other artists of the Vienna Secession. Closed Thursdays.

National Museum. Art of the Muromachi Period (1884-1887).

Major exhibition featuring some 400 works from the period when

400 works from the period when the shoguns had consolidated

their power, bringing a period of relative peace and prosperity

iment (228 7616, cc 240 7200).
Ends Nov 18.
Another Time (Wyndham's).
New Ronald Harwood play,
directed by Elijah Moshinsky,
about a white South African family in Cape Town and Maida
Vale. Albert Finney plays father
and concert planist son across
35 years, suggesting that talent
is a means of escape and a reasou for not going back. Janet.
Suzman and Sara Kestehnan
are electrifying in support (867

Aspects of Love (Prince of Wales). Andrew Lloyd Webber's latest is an intimate chamber

interesting and well directed by Trevor Num, a cast of unknowns project the right sense of syberitic insouciance. A proba-ble, but unspectacular hit (839

Heidi Chronicles (Plymouth). Wendy Wasserstein's award-win-ning drama covering 20 years in the life of a successful Ameri-

can baby boomer goes from sup-port for Eugene McCarthy's pres idential aspirations to electoral

amhitions in the 1980s, accompa-nied by the musical and emo-tional flavour of the period (239

Square). An intimate production of the Sondheim-Wheeler musics in contrast with the elaborate riginal a decade ago emphasise: he descent into madness of Bob

of Fleet Street (239 6200).
Lend Me a Tenor (Royale). A sprucing up in the set of a decaying town's big time opera ambitions makes a transatlantic hit of this farce, first produced in London but row with a local

London, but now with a local cast led by Philip Bosco and Vic-tor Garber (239 6200), Rumours (Broadhurst), Neil

New York

etta derived from David Gar-

### MUSIC

### London

Young Musicians Symphony Orchestra conducted by James Blair, with Alfreda Hodgson, perfronting Mahler's Symphony No 3. Royal Festival Hall (Sat) (221 0800).

London Philharmonic conducted by Franz Welser-Mist, with Jorge Bolet (niano), performing Haydu, Chopin and Shelius, Royal Festi-val Hall (Sun) (221 0800).

Ensemble Orchestral de Paris conducted by Arpad Gerecz, with Gary Hoffman (cello): Mosart, Tchalkovsky, Dvorak, Bartok (Tue)Salle Gaveau (45632030). Jorge Bolet, piano.

Orchestre National de France conducted by Lorin Mazzel. Be thoven (Thur). Chatelet (4022228). Mikhail Rody, plane. Chopin/ Liszt (Thur). Thistre des Chan Elysées (47208637).

### Brussels

I Flamminghi Ensemble conducted by Rudolf Werthen with Arielle Valibouse (harp) and Johan Huys (pianoforte). Boiel-dieu, Haydn and Tchalkovsky. Cercle Royal Gaulois, 5 Rue de la Loi (Sat).

### Antwerp

Royal Flanders Philharmonic Orchestra conducted by Pierre Bartholomee, Flamish and Dutch choral societies, soloists, perform Mahler's Symphony No 8 (Thur). Koningin Elisabethzaal.

Alexander Lazarev conducting Chopin and Rachmaninov (Fri, Sat) La Scala (80.91.26).

Austrian State Radio and Televi-sion Orchestra and the Neues Wiener vocal ensemble, con-ducted by Alexander Rahbari. Schedl, Stravinsky (Fri). Musik-Ruttinger Quartett from Leipzig.

ducted by Peter Keuschnig. (Thur). Musikverein.

conscious farce, with numerous

slamming doors and lots of mug-ging but hollow humour that misses as often as it hits. Chris-tine Baranski leads an ebullient

cast in the inevitable but disap-

pointing hit. Cats (Winter Garden), Still a

sell-out, Trevor Num's produc-tion of T.S. Eliot's children's, poetry set to music is visually stanting and choreographically feline (239 6262).

feline (239 5262). A Chorus Line (Shubert). The

Joseph Papp's Public Theater for eight years but also undated the musical genre with its back-stage story in which the songs

magnificent speciacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway

(235 6210). Me and My Giri (Marquis). Even if the plot turns on ironic minicry of Pygmalion, this is no classic, with forgettable songs and dated leadenness in a stare full

sic, with integrations sough and dated leadenness in a stage full of characters. It has nevertheless proved to be a durable Broadway hit (947 0033). M. Butterfly (Eugene O'Nell).

The surprise Tony winner for 1988 is a somewhat pretentions and obvious meditation on the true story of the French diplom

whose long-time mistress was a male Chinese spy (246 0220). Phantom of the Opera (Majestic). Stuffed with Maria Bjornson's gilded sets, Phantom rocks with Andrew Lloyd Webber's hauni-ing melodies in this mean-trans.

Driving Miss Deisy (Briar Street). The touching relation

ship between a dowager, played in this production by Dorothy Loudon, and her black chauffeur exposes the changes in the South over the past several decades

lodies in this mees-trans

les (Broadway). The

### Machid

and the second of the second o

Teresa Berganza (mezzo-eo-prano), J.A. Alvarez parejo (piano). Pergoleti, Rossini, Bize R. Strauss, Rodrigo (Tue). Audi-torio Nacional de Musica (837 m am

Manhaitan String Quartet. Shot takovich, Colgrass (world pro-miere), Ives (Mon). Town Hall (947 5850).

Shura Cherkassky piano recital. Handel, Weber, Chopin, Berg. (Tue). Carnegie Hall (247 7800).

National Symphony Orchestra conducted by Rafael Frühbeck de Burgos, Falls, R. Strauss (Thur) Kannady Center Concert. Hall (254 3600).

Tokyo Renata Scotto (soprano), Alfred Kraus (tenor), Opera arias and duets. Showa Women's Univer-sity Hitomi Memorial Hall, near

Traditional Japanese Mus Buddhist Suira Chanting. National Theatre (Thur).

### Utrecht

Netherlands Handel Society and solvists conducted by Thijs Kra-mer. Haydn (Tue). Vredenburg (31 45 44).

Rotterdam Philharmonic with Naum Grubert (piano), Valeri Gergleyev conducting. De Leeuw, Rachmaninov, Beethoven (Fri). Doelen (413 2490).

Berlin Philharmonic Orchestra with plantst Andras Schiff, con-ducted by Daniel Bananbolm. Strauss (Tues, Wed), Philhar-

Cologne Radio Orchestra coudenced by Gary Bertini, with Frank Peter Zimmermann (violin). Ligett, Mozart, Debussy and Ravel (Sat). Philharmonie

# (348 4000). Steel Magnolias (Royal George). Ann Francis and Marcia Rodd, play the leads in this view of southern life from under the dryers in a busy hairdressing establishment (988 9000).

Kabuki. At Kabuki-za (541 3131): an opportunity to see two of the best loved classics of the traditional theatre. The liam programme includes Somezuki Stingu (Double Suicide at Sons-auki), based on the moving pup-pet drama by the "Japanese Shakespeare", Chikamatsu. The At the National Theatre (265 7411): Reigen Kameyama Hok

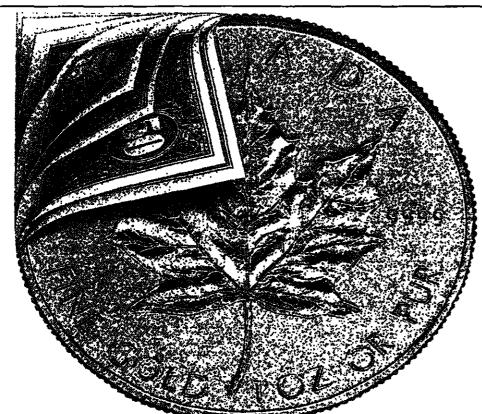
tres have useful English pro-grammes and earphone com for connoisseurs of kitsch. The all-girl Takarazuka Revue celebranes its 75th birthday by reviving its famous romantle musical set in 18th century France. A

plot summary in English i printed in the theatre pro-gramme. Takarasuka Thes (201 7777). Kokunsenya Gassen. New play by Hideki Noda, with a title drawn from a famous puppet play by Chikamatsu. Noda's work has tremendous visual fisir and can be enjoyed by those with no or little knowledge of Japa-nese. Ginza Saison Theatre (5478 (771)

re Under the Kims. Eugen city with the world's most expessive real estate. Performed (in English) by the Derver Center Theater Company from the US

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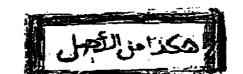
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# The Return of Ulysses

n one of those extraordinary coincidences that regularly brighten London's operatic life, two great but seldom-revived operas have this week been added to the repertory of the city's opera houses, both of them on Classical Greek subjects: Cherubini's Médée, by the Royal Opera on Monday, and Monteverdi's Il ritorno d'Ulisse in pairia (in Anne Ridler's translation) by the English

National on Wednesday.

Fortunately, parallel lines break down hereafter, for whereas experience of the former will have caused dismay to all who admire the work, that of the latter brings joy. The greatness of Monteverdi's second extant opera is revealed during an evening long (three-and-a-half hours, with two intervals and two scenes cut from the second act) but intensely concentrated, an ensemble performance of eloquent simplicity and heart-lifting heavily it seems to lock mance of eloquent simplicity and heart-lifting beauty. It seems to lock into the lives of all its audience, to make the events on stage and in the pit part of their own lives.

The Return of Ulysses is many things — a disquisition on human constancy (and the opposite) in the face of life's worst misfortunes; a marvellous adventure tale nictures one

vellous adventure tale, picturesque, incident-rich, with a happy ending; an epilogue (as the Gods and others keep reminding us) to the Trojan War. But at its centre it is a profoundly moving emotional drama, a slow, patiently charted voyage toward reconciliation. Scenes of meeting by people whom the vicissitudes of life have long separated form, indeed, the periodic clinching points of the drama. The final duet between husband and wife and the smaller though no less loving duet between father and son may be the most important of these; yet other moments of reunion — between Minerva and Ulysses, Ulysses and the shepherd Eumaeus, even in the final

summit conference of the Gods strike deep, because of the shape of Badoaro's libretto and the naked directness of Monteverdi's music. Sel-dom in the history of a noble, unsta-ble theatrical medium has the dramatic power of melody and tra-matic power of melody and the singing voice been more surely har-nessed. After the prologue Penelope's first utterances, grave, unbearably poignant, speak the whole story: her low-voiced grief runs through the evening like a black-and-silver thread. David Freeman's production in David Roper's designs is hig hold

David Roger's designs is big. bold, sensitive, masterly. Of all his many attempts to show opera as "the unique collaborative art" (a phrase taken from the excellent Freeman profile in this month's Opera), this is perhaps the most successful. The figures of the prologue – Human Frailty, Time, Fortune, Love – are modern Mediterranean refugees com-plete with plastic carrier bags and weary feet; the main events return the characters to an ancient period in the Levant, and dress them in cloths of sensuous richness. There is a door at the back of Mr Roger's magnificent single set (a severe formal arch warmed by stone colour and texture): it seems to provide the link, visual and psychological, between the com-poser's day and our own, a motto for

poser's day and our own, a motto for the style of the whole enterprise.

The blend of fluid forward movement, humour (stylized pigs and horses, every bit as delightful as the sheep in Freeman's Yan Tun Tethera staging), and largeness of canvas is near-faultless; there is little of the flying-machine, magic of Peter Hall's ing-machine magic of Peter Hall's famous Glyndebourne Ulisse, and much magic of a much simpler kind. The stage is busy — Penelope, busy weaving stage right on an impressive loom, seldom leaves it — but the focus almost always stays in the right place: the "communal" overall

naturalistic, dealing in tab-leaux and poetic flashbacks and interludes broken up by curious, off-centre English idiom. Penny dreams of sol-diers on her Victorian rocking borse, and her canner is

horse, and her caged canary is brutally liberated. A television

screen shows war footage. Corpses with faces blown away

Penny Fitt's design smothers

a tawdry interior with a great sagging tent of torn and bloody

raiments above which hang dummies of dead soldiers. We hear of atrocitles both civil and

domestic in Iran; and how Sya was ordered to execute his own

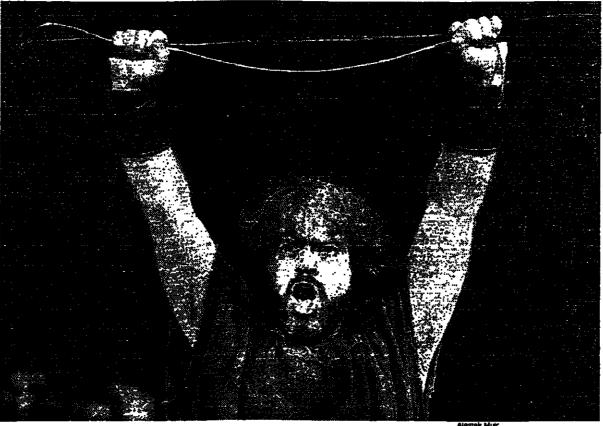
sister's brother, who has des-

That episode is framed by the sister, Sohy (Soudabeh Far-

rokhnia), swishing her long

erted at the front.

are laid out for inspection.



**Anthony Rolfe Johnson** 

impression is part of the production's richly-detailed fabric.

At his best Freeman draws portrayals of unrivalled depth from his casts. So it is here. Anthony Rolfe Johnson, back in magnificent voice, gives as Ulysses what seems to me the performance of his career — a character possessed, violent, heroic (the singer's appearance seems to have undergone its own sea-change or Mineryatransits own sea-change, or Minerva-trans-formation), suffused at the last with radiant tenderness fined down to the softest pianissimo. Penelope, rendered unusually gaunt and passionate in her suffering, draws on the most beautiful and expressive range of Jean Rigby's voice; as yet she misses the gentle poise of declamation remembered from Sarah Walker's Kent Opera heroine, though already

the final unbending is wonderfully

affecting.

Sally Burgess's Minerva sparkles with impudent wit, and sings with agile lustre. Alongside Rolfe Johnson there is a galaxy of impressive tenors — Laurence Dale (Telemachus), John Mark Ainsley (a first-rate Eurymachus, youthful and lyrical), Philip Doghan (Peisander), Kim Begley (Jupiter), Eumaeus (Edward Byles, wrongly addressed as "Youmayus"), and Alexander Oliver, whose "paunchy cavalier" Irus differs from his celebrated Glyndebourne account, a decade ago, in being much wilder, a decade ago, in being much wilder, coarser, more eccentric; the long Act 3 soliloquy ventures briefly but dan-gerously in the direction of verismo melodrama. Some of the lower voices, male and female, are ropy (with poor

diction); the ensemble as a whole is

Paul Daniel conducts his own un-Leppard-ized edition, and a small, expertly-chosen "period" band seated in a raised pit (bravol). The highest praise one can offer Mr Daniel is to say that the performance did not appear conducted at all — the heat and light of the music seemed to be taken directly from the singers' notes and verbal inflections — and that it and verbal inflections - and that it moved with unerring steadiness across the span of the evening. Few operas have the power to speak so freely, with so little clutter and fuss, across time; afterwards, one leaves the theatre drained, elevated, and walking on air.

Max Loppert

# Spoils of War

Michael Weller has been a little too forgotten of late here while we catch up with the lesser work of David Mamet. Venues like the Cottesloe and Hampstead Theatre are conspicuously failing to keep us up to date with Weller, Tina Howe, Wendy Wasserstein and A R Gurney, to name but four significant contemporary American playwrights beyond Mamet, Shepard and August Wilson. Of them all, Weller writes in the most recognisably English way. His plays are more sensitive than sentimental, more funny than crass,

more intelligent than smart. Like Gurney, he is probably too good for Broadway in its too good for Broadway in its current condition, though this piece did make it briefly onto the Great White Way starring Kate Nelligan, following an acclaimed production at the Second Stage. All credit to Leeds Playhouse, then, for arranging the European première; the pleasure of seeing this truly marvellous play is only dented by the disappointment of Tim Luscombe's production, which is underpowered, undercast and tentative. cast and tentative.
The setting is New York in

the 1950s, after the Korean War and during the rise of McCar-thyism. Against a subtly shiftthyism. Against a subtly shift-ing background of lost illu-sions and mounting political paranoia, 16 year-old Martin (Gary Parker), about to embark on further education in Europe, tries to reconcile his parents. His mother Elise (Trudy Weiss) is a dypsoman-iac fashion garment worker and left-over leftie; his father Andrew (David Allister) is a Korean veteran, a pilot and photographer, who has decided to garnish his betrayal of idealism by over-dressing and living with a bimbo who works in a zoo (Catherine Furshpan). The writing is rich and dense, the scenes beautifully orchestrated in over-lapping sequence so that the claims of revolution literally jostle with

those of reunion, while selling out is easy and making up, as

NOTTINGHAM PLAYHOUSE

Ibsen's play has acquired an

extra topicality now the quality of water has become a polit-

ical concern, and Caroline

Smith has done all she can to

turn the little Norwegian failed

spa into the pattern of a Euro-

us a municipal mini-revolu-tion. When Stockmann (Brian

Ralph) tries to tell his meeting that the Health Institute, on which the town is to build its

prosperity, will be better closed than offering polluted water, a

dozen extras slink into the

stalls and barrack with all the

ignorant enthusiasm of an old fashioned election crowd

This excitability colours most

of the evening. There never

was such a restless home as

the Stockmanns', from his

father-in-law to his young son Morten (Lee Barrett). Roast

beef twice a day is for them a matter of high novelty; and I was relieved to see how, when

the hot toddy was brought on, Stockmann took a look at both

his sons before sending them

Even Derek Smith as brother

Peter, Mayor and Chairman of the Institute, can show man-ners ill-suited to his official

top-hat, both above and below

the decent correctitude - pub-

off to their homework.

ever, hard to do. Martin is par-ticularly cut up about Mum's absence from parent's day. where he delivered his essay on the Cold War: he recites it for Dad who goes berserk. While Andrew sidles into par-ties, girls, nice suits, Elise harbours a pipe-dream (Weller deliberately echoes O'Neill) of owning her own house. She wants the house, too, for Martin; their final fall-out has the tragic resonance of Tennessee Williams, maternal absenteeism excused with the bedroom line "I have to see myself every

day, why should you?"
This climax is not so much muffed as avoided in the playing. Miss Weiss knows she is missing, which makes it worse. She is much happier in worse. She is much happing in her joshing scenes with Lolly Susi's jolly floozy and the other Korean vet, a drunk from Wichita (David Crean), who drops by to offer false hope in a dawn where the sun will not rise. Paul Farnsworth's floor-level design is neat but ineffec-tive in this curious semi-thrust limbo arena. The production continues



**Trudy Weiss** 

An Enemy of the People

Michael Coveney

# I Miss My War

ALMEIDA THÉATRE

"A mythical ballad of several wars in two different planets" is how the programme describes this latest offering of the exiled Iranian poet and drame the control of the sexual dramatic and drame the control of the sexual dramatic and drama matist Iraj Jannatie Ataie. His Mazdak Theatre Group has already made waves with two

plays in Farsi.
Now writing in English, the author (who also directs) unravels an Iranian brother/sister relationship in an English lodging house, where the landlady Penny is supervising Remembrance Day poppy production while still lament-ing the man she lost in the War. The wounded Sya (Kul-vinder Ghir) has been carried to England for an operation after sustaining horrific Iraq. A failed martyr, he is

Penny's lost soldier. Penny already has a ciderswigging lodger, the pathetic ex-actor Burt, whom Sylvester McCoy energetically projects as a maudlin eccentric. Eccentric enough, anyway, to think that life might hold out more hope for him in the lap of the

Ayatollab. A play that rapidly takes on the mood of a crazily re-written Entertaining Mr Sloane, with Patti Love's tremendous. blowzy Penny, and the importunate Burt, vying for the sal-vationist friendship of Sya, then becomes a metaphorical culture clash, with social misunderstandings escalating into sudden violence

The style is fractured, non-

# Siobhan Davies

**RIVERSIDE STUDIOS** 

This year's Dance Umbrella again brings an evening of creations by Siobhan Davies. And, as last autumn, she has turned to the South African-born com-poser Kevin Volans for the soundtrack to one of her two places receiving first performances on Wednesday night.

Cover him with Grass opens with the sound of wood chopping, continues with African work-songs, Zulu chanting, vague soughings of wind - the programme refers to all this as "music" - which provide a starting point for dance ideas. These are for the most part demure as the three men and three women of the company manipulate a long metal pole, engage themselves in somehow under-powered movement, and

make reference to work actions which then slither unconvinc-

ingly into dance.

There is a feeling that this rather secretive activity is commenting upon African life, but it is too self-contained and too introverted to make much impact. Visually there are moments of penetrating beauty

a man sleeping as evening
comes, watched by his companions; a ravishing pose that ends the lengthy dust which closes the piece – but Siobhan Davies has taught us to expect more. I suspect that she needs the challenge of a larger troupe and the frame of a proscenium to focus her dance for her audi-ence — and perhaps even for herself. The kind of amateur-ishness endemic to much of the new dence in this country, typified by evenings such as this, can but diminish the effects of Siobhan Davies true

Her second new piece, Drawn Breath, has a programme note by the designer, Hugh O'Donnell, which is a fine example of the Higher Tosh. Mr O'Donnell has, in fact, produced attractive abstract back drops and a painted gauze that cuts across the dance area. There is a score of lively sonorities by Andrew Poppy, for plane, saxo-phone, trumpet, percussion, which invites dancing. The cast of six appear, each with arms looped through another's; the development of the chore-ography finds the dance break-

vivid, and at times contempla-tive as the figures are contrasted, or seen behind the gauze as echoes and memories of those in front. That the dancers are dressed with unmitigated dowdiness - why do the New Dance crowd need to look so glum so much of the time? - is their problem. Ours has to do with the enclosed and uncommunicative nature of the piece. It argues some theorising about movement, but communicates more earnestness than dynamic power, though a trio for the male dancers is quick and exhilarating. All in all, a rather flat evening, I'm afraid.

ing up, becoming more active.

Clement Crisp

# Bartók and Kodály

BARBICAN HALL

Rapunzel hair in lamentation. Sohy's cultural dislocation is te when she, the blackgarbed bearer of her brother's broken body, is amazingly conductor with the Royal Philtransformed to his naked harmonic and Yuri Bashmet as avenging tormentor. The even-ing is by no means perfect; but soloist in Bartók's posthumous
Viola Concerto. There are
many cities now where halls
fill up for Bashmet, but not
London yet: either
word-of-mouth is slow here, or
too many people doubt that the
viola can be an exciting solo
instrument. In Bashmet's it keeps flaring into life at such As in Orton, the characters jockey continuously for domination. Penny covers up in Sohy's black weeds, but the instrument. In Bashmet's hands, it speaks and sings with passionate authority. He has an extraordinary gift — Rus-sian, perhaps — for projecting would-be martyr, whose operation is a failure, cannot be seduced. The purpose of his life lies only in war. His death music of an introspective cast, like most of the viola's reper-

Wednesday's instalment of "Magyarok" was led by Russians, Vladimir Ashkenazy as character.

He did that nobly in the Bartók concerto; and it was pure gain, for in the concert hall this frail, autumnal piece requires nothing less than a magisterial soloist to hold it together. Had the composer lived only a month or two longer, the concerto would have been properly finished; in the event his disciple Tibor Serly had to piece it uncertainly together from a welter of sketches, and nobody supposes that Bartók's final version would have been quite like this

music director Dennis Russell

Davies. Adriana Leconoreur in a concert version with Margaret Price, Bruna Baglioni, Glorgio

Opera. Rigoletto returns with Michael Lewis in the title role and conducted by Gary Bertini. The new fascinating and lively La Finta Ciardiniera, by producer Robert Carsen, is also wonderfully sung by Pia-Marie Nilsson, Margaret Marshall, Alicia Nafe, Sonia Theodoridou and Werner Hollweg, Also offered Isabelle's Dance, a musical by William Forsythe.

Opera. The first co-operation

Opera. The mrst co-operation between the Düsseldorf Opera and Cologne Opera is the new Wagner Ring cycle, produced by Kurt Horres. This week's offering, Das Rheingold, saw heavy reaction against the "new bomes" definition of the cycle

when it opened. With a strong cast led by Robert Hale, John

del Carlo, Mario Brell, Hanna Schwarz, Bestrice Niehoff and

Opera. Tombouser has fine

interpretations by VerenaS-chweizer, Ute Trekel-Burckhardt, Toni Kraemer and Matthias

Hölle. Elektra a co-production

with the Vienna Opera will have

with the Vienna Opera will have its premiere this week, produced by Harry Kupfer. The strong cast is lad by Anny Schlemm, Deborah Polaski, Toni Kraemer and Wolfgang Schoene. Also Andrea Chemier and Dornatischen.

Anne Gjevang.

Stuttgart

Cologne

Merighi, Bodo Brinkmann and James Wood

I thought Ashkenazy responded to Bashmet's style almost too eagerly. Until the finale the orchestral part, as it stands, is the merest support, and bringing it energetically forward only underlines its meagreness - better to retire in favour of the soloist. Fortunately, Bashmet's awesome command is proof against even well-meaning competition (always the most dangerous kind). But the conductor's way with Bartok had already, in the op. 10 Két Kép ("Two Pictures"), seemed too bluff and forthright: the heady, rapturous air of "In Full Bloom," the

first Picture, was barely per-

ceptible in his muscular lines and simple colours. Those suited Kodály's "Gal-

anta" Dances and his Hary János Suite much better. They went with a flair, and plenty of cheerful noise - though one has heard the Dances sound less blandly cosmopolitan, more closely in touch with the original (gypsy) material. It was slightly disappointing in Hary Janos that the cimbalom was more visible than audible at least from where I sat: its inimitable ethnic twang belongs to the heart of Kodá-

lic indignation and family bribery. When Hovstad, the weakly David Murray (Doug Smith), takes the hand

and so emphasises Ibsen's restraint in not giving her an emotional sub-plot.
The only restrained characters are William Haden as the Captain and Freddie Lees as pean nation.

Arthur Miller's version uses the language of current politics, and Ms Smith has given

of daughter Petra (Sophia Win-

ter) to make a point, she recoils at once with "Are you trying to hold my hand?" —

the habitually modest Aslaksen. The Captain is among the many who lose their jobs for supporting Stockmann in his quest but is very good about it.
If they can't go to America on
his ship, he will find another.
The scene in which Hovstad tries to blackmail Stockmann into paying his paper to lay off their campaign is particularly uncharming. It is sad that Ibsen should have thought of his Norway in such colours.

Ann Penfold as Stockmann's wife Katrina is loyal enough to her husband, but her father. played by Roger Heathcott in

the image of a North-country businessman, must have taught her in her younger days that woman do what they're told. His insider dealings in the vincing explanation, are as topical as the squalid water.

The general air of excitement suits this play at this time. Karen Bartlett's sets are eccentric; the door in the Stockmann's sitting-room always appeared to be opening backwards from where I sat.

B.A. Young

### ARTS GUIDE

**OPERA AND BALLET** 

Royal Opera, Covent Garden. One of the great masterpieces of post-Mozart Classical opera, of post-Mozart Classical opera, Cherubini's Médée, returns to Covent Garden in a new production by Mike Ashman, conducted by Mark Ermler. It is — praise be! — sung and spoken in the original French, by a cast headed by Rosalind Plowright in the tremendous title role; others include Alexey Steblyanko, Claire Powell, Rense Fleming and Robert Lloyd.

Further performances of Rigoand Robert Lioyd.
Further performances of Rigoletto, in the Nuria Espert production conducted by Sian Edwards;
cast changes in leading roles
introduce Judith Howarth (Gilda) and David Rendall (Duke), and Brent Ellis back in the title role. English National Opera, Coliseum. David Freeman continues his ENO Monteverdi productions with *The Return of Ulysses*. The conductor is Paul Daniel: Jean Rigby, Anthony Rolfe Johnson, Sally Burgess, Laurence Dale, and James Bowman lead the large cast. Further performances of Kurt Weill's marvellous Broad-way opera Street Scene in David

Pountney's staging.

Chatelet. Fidelio conducted by Lorin Maazel in a spiendid Giorgio Strehler production with the Orchestre National de France and Warsaw's National Philhar-monic Choir is co-produced with Teatro Alla Scala, Milan and Radio France (40282840). Opéra. The Paris Opéra stars and ballet corps accompanied by the Opéra orchestra conducted by Michel Tabachnik present a Diaghilev evening -Petrushka, Le Spectre de la Rose, L'opres-midi d'un Faune and Les

Michael Coveney

Staatsoper. The Warsaw National Opera, known as Teatr Wielki: Die Gliederpuppen by Manekiny (Fri, Sun); König Roger by Karol Szymanowski (Sat). by Karoli Symponowski (Sat). Beethoven's Grosse Fuge, Brahms' Liebeslieder Walzer and Kettentanz by Strauss are conducted by Konrad Leitner (Mon), Ballet: Ein Sommernachtstraum conducted by Caspar Richter (Wed, Thur).
Volksoper. Programme includes
Die lustige Wittre conducted by
Konrad Leitner, Wiener Blut, Eine Nacht in Venedig, Kiss me Kate, Ein Waltzertraum, Hoff-manns Erzühlungen.

Cirque Royal Bejart Ballet Lausanne continues its Brussels tour with performances of 1789... et nous, Trois etudes pour Alex-andre, A force de partir, Je suis reste chez moi, Hamlet and rites

of spring. Théâtre Royal de la Monnaie. The Monnaie Dance Group Mark Morris in New Love Song Waltzes and other works choreographed by Mark Morris, the Monraie Symphony Orchestra is conducted by Ingo Metzmacher.

Palais des Beaux-Arts. The Brussels Gilbert and Sullivan Society forms Offenbach's Orpheus in the Underworld.

Muziektheater. The tokyo Bal-let with Bugoku (Mayazumi/Be-jart), Seven Haiku of the Moon

(Part/Neumeiet), Pirebird (Stra-vinsky/Bejart) and Tum Tum et percussion (Blaske) (Frl), Sat, Sun 2 perb). Ballet gala with international soloists and the Scapino ballet (Tue), (256 455).

Opera. Rigoletto in Hans Neuenfels' production features Gwendolyn Bradley, George Fortune and John Sandor. The ballet premiere John Sandor. The ballet premiere will have three pieces, jointly choreographed by Jose Limon, Anna Sokolow and Christopher Bruce. Die Zauberflöte will be conducted by Heimrich Hollreiser. Die hustigen Welber von Windsor is a well done repertoire performance. Aida has Wilhelmina Fernandez making her Berlin debut in the title role with Giorgio Lambereti and Bruna Giorgio Lambereti and Bruna Baglioni in other parts.

Opera. Tosco, the first premiere Opera. 70502, the first premiers this season, produced by Giancarlo del Monaco, has a strong cast led by Leona Mitchell, Giacomo Aragall, Ingvar Wixell and Dieter Weller, conducted by Leonard Slatkin making his debut in Hamburg Mograficat debut in Hamburg. Magnificated danced to music by J.S. Bach has John Neumeler chorecers phy. Die Hochzeit des Figuro has Gilles Cachemaille brilliant in the title role as well as Thomas Hampson, Roberta Alexander, Ning Liang and Eva Maria Ters son singing other roles.

Opera. Aida stars Grace Bumbry, Giorgio Zancanaro, Lando Barto-ini, Francesco Ellero d'Artegna and Wilhelmenia Ferenandez and is conducted by Bonn's

### Musich

Opera. The successful Nikolaus Lehnhoff Ring cycle returns. This week's Die Walkire stars Julia Varady. Hildegard Behrens, Marjana Lipovaek, Robert Hele, Kurt Moll and Walter Raffeiner. Der widerspenstigen Zähmung has John Cranko choreography. The rarely played Die Jungfrau von Orleans in Harry Kupfar's production has a first-rate cast.

Lyric Opera of Chicago. Eugene Onegin opens the season at the Licau, in the production con-ducted by Emil Tchakarov. Mir-ella Freni, Denes Gulyas and Wolfgang Brendel, lead roles. Gran Teatre del Liceu.

Teatro Olimpico. The National Thai Dance Company performing traditional dances (Wed, Thur) Turin Teatro Regio. Autumn season opens with a new production of Rigoletto by Lamberto Puggelli, conducted by Maurizio Arena, with Luciana Serra, John Bawnsley, Rita Susovsky and Oddino Bertola (8815241).

## New York

Metropolitan Opera. The week features the first performance of the season of Die Frou ohne *Schatten*, in Nathaniel Merrill's production, with Eva Marton, Marilyn Zschau and Robert Schunk, conducted by Christof Perick. Continuing are Rigoletto, La Traviata and Il Barbiere di

## November 10-16

Sivigita. Lincoln Center Opera House (362 6000).

### Chicago

Lyric Opera. Kiri Te Kanawa sings Elisabeth, Tatiana Troyanos is Eboli and Samuel Ramey is Philip II in the premiere of Sonja Frisell's production of Don Songa Frisen's production of 2000 Carlo, conducted by James Con-lon, while performances of Sam-son et Dalila continue. Lyric Opera (383 2244).

### Washington

Washington Opera. Ruth Ann Swenson is Lucia and Jerry Had-ley is Edgardo in Roman Ter-leckyi's production of Lucia di Lanmermoor, playing in reper-tory with Cosi fan Tutte. con-ducted by Leon Fleisher in Jean-Pierre Ponnelle's production with Bizabeth Holleque as Fiordiligi, Deldra Palmour as Dorabella and J. Patriok Poffory as Guo. and J. Patrick Raftery as Gug-lielmo. Kennedy Center Opera House (416 7800).

### Tokyo

Ballet National de Marseilles. Ma Pavlova. Roland Petit's new ballet stars himself and Dominique Khalfouni. Bunkamura, Orchard Hall (461 0300). Vienna State Opera. Wozzeck, conducted by Claudio Abbado, with Franz Grundheber, William Cochran, Dunja Vejzovic. NHK Hall (725 8888). Yuzuru. Written by Ikuma Dan, this is one of the best and most popular Japanese operas. Nissei Theatre (503 3111).

### SALEROOM

## World record for Kooning

"Interchange", an abstract by Willem de Kooning, sold for \$20.68m (£13m), at Sotheby's New York on Wednesday night, a record auction price for a work by a living artist. It beat the \$17m paid last year for Jasper John's "False Start." De Kooning was born in Rot-terdam in 1904 but has lived in the US since the 1920s and is an American citizen. One of the early Abstract Expressionists, he painted "Interchange" in 1955 when he was interested in portraying abstract human figures in an urban landscape. Measuring 79 by 69 inches it is a fluid mix of reds, yellows, blacks and creams, in violent confusion. Two more de Koon-ing abstracts did well, Untitled III" of 1976 making \$3.52m as against a \$950,000 top estimate while "Untitled," an abstract landscape painting of 1961, went for \$3.52m

"Interchange" carried a top estimate of \$6m but the Japanese dealer-cum-collector Mountain Tortoise so wanted it that a new record was established. There was plenty of Japanese interest in an auction of 74 lots which totalled \$98.285m (£61.98m), with only 8 per cent unsold. Another Japanese dealer acquired "Black Area Reds," a typical Mark Rothko with a black stripe over a red background, for \$3.63m, a record for Rothko.

"Two flags," a favourite subject of Jasper Johns, sold for

\$12.1m to Bo Alderyd, a Stockholm dealer who operates out of Switzerland, and the \$5.06m paid for "Tomlinson Court Park," one of Frank Stella's Black paintings, was a record for him. In all 19 paintings topped \$1m and 12 artist records were set, including highs for Kenneth Noland (\$2m); Cy Twombly (\$1.7m); Robert Motherwell (\$1.1m for one of his Spanish elegies); Georg Baselitz (\$797,500); and

Jim Dine (\$660,000). Christie's South Kensington set a world record for a camera yesterday when Luigi Garibaidi, an Italian private collector, bid £26,400 on the telephone for a Leica 35mm camera actually made last July. It was a special one off. with many technical extras, produced to commemorate 150 years of photography and 75 years of Leica. The previous best for a camera, £21,000, was set by Christie's SK twelve years ago.

A wooden doll, 291/2 inches high, made around 1735, with rouged cheeks and bulbous black eyes, sold for £35,200 yesterday at Sotheby's sale of the vast doll collection of the late Mrs Marianne Bodmer. A wooden German doll of around 1815, estimated at £2,500, sold for £24,200 to Dolls of Yesterday, the London dealer.

Antony Thorncroft

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Friday November 10 1989

# Think again, Mr Wakeham

AN UNCONSCIONABLY long time has had to pass before the Thatcher Government has admitted its mistakes. But it has done so at last. It now recognises not only that National Power will not fly in the private sector if it is bur-dened by the existing nuclear power stations, but that nuclear power as a whole is uneconomic, at least in the UK.

Mr Wakeham has yet another confession to make. The case for splitting the Central Electricity Generating Board into just two generating companies was that only large companies could cope with the nuclear power obligation; the case against this duopoly was that it severely reduced the likelihood of true competition in electricity generation. The case against now wins by

The Government should now follow the logic of its own

admission on nuclear power and restructure the industry on more competitive lines. It should also reconsider the eight year restrictions on competition, which were designed to protect the distributors from the loss of customers trying to

evade the nuclear levy.
In the absence of such modifications, the Government will be guilty of letting an arbitrary time table dictate the structure of the country's most important industry - perhaps in perpetuity, even though that structure clearly lacks all justi-

fication.

By showing that the old poliby showing that the old poli-cies on nuclear power were huge mistakes, privatisation has, once again, proved its worth. That benefit does not. however, justify rushing head-long to burden the country with new mistakes. Still more rethinking and then restructur-ing is now required.

# Fine-tuning the Brady plan

WHATEVER interpretation one puts on Lloyds Bank's decision to increase its Latin American debt provisions, it is hard to see the exercise as helpful to the current version of the debt strategy of US Trea-sury Secretary Nicholas Brady. The Mexican debt package is the immediate focus of the Brady plan. It depends heavily on a proportion of Mexico's existing lending banks taking the option of putting up new money, instead of writing down principal or interest on existing debt. Lloyds has yet to make its final decision; but the greater its provision for exist-ing Latin American debt, the harder it becomes to justify to shareholders making an advance against which it would have to make a simulta-neous draconian provision. And there will be pressure on those of its competitors that have sufficient capital to follow

Lloyds' move will not, then, be welcome to the pro-Brady camp. It also implies an extraordinarily gloomy view of Latin American economic prospects. The number of countries now delaying interest payments has admittedly esca-lated, but it is hard to believe that Lloyds will receive only 15 per cent of the principal of its outstanding medium and longer term loans to these countries. And within that overall figure there are some horrowers whose debts have been pro-

vided against in full. Yet Lloyds has not gone as far as J.P. Morgan in the United States, which recently provided 100 per cent against its relatively small Latin American debt portfolio. And in the longer run these oversize write-downs may be a step in the direction of greater realism on Third World debt generally.

Both the Baker Plan and the Brady Plan rested on a formula that involved calculating the amount of new money required and then sharing out the bur-den between the banks and the international institutions. Yet the banks are understandably reluctant to make loans which which are no sooner made than devalued and are increasingly divided on any given case. The resources of the IMF and the World Bank are too slender to help much in smoothing nego-

More fundamentally, there has been a reluctance on the part of policymakers to accept that lending more money to pay interest on old loans fails to address the real nature of the problem, which is one of excessive debt in relation to any realistic estimation of the debtor countries' servicing capacity. The priority should be to reduce both principal and interest on the debt to a level compatible with the underlying growth potential and debt servicing capabilities of the debtor countries in more noris no sense in allowing development finance to become hostage to the distortions and imbalances created by the his-toric bungle of petrodollar recycling. The sooner we leave the consequences of that aber-

ration behind us the better. It may well be that the new round of write-downs will make that task easier. Not that make that task easier. Not that there will be a quick resumption of large private capital flows or reversal of capital flight. That will take not only time but sound policy, which is where the IMF and World Park continue to have a cru-Bank continue to have a cru cially important role. But if, by default, we have come closer to a private sector solution, it may not be such a bad thing.

# Democracy in Namibia

THERE IS now a bare handful of African countries that can claim to be multi-party democracies. When the international caravan overseeing Namibia's transition to independence moves on, there will be doubts that the country's new leaders will prove to be one of the exceptions to the rule - unless the outside world continues to monitor and support the demo-

Voting for the 72-member constituent assembly is being scrutinised by a 6,500 strong ians, accompanied by hundreds of journalists and other observers. The assembly will draw up the constitution in time for independence next April. The likely winner is the South West Africa People's Organisa-tion (Swapo), led by Mr Sam Nujoma. Swapo, either by itself or through alliances, is also likely to command a two-thirds majority in the new assembly. This will allow it to draw up the independence constitution. All the main parties have committed themselves to including in the new constitution a bill of rights which will include freedom of association and

The problem comes after the international spotlight has passed from Namibia. Should Mr Nujoma choose to move down an authoritarian path, it will be very difficult for dis-senting Namibians to stop him. Any such development will damage prospects for peaceful change in South Africa. It would confirm the worst fears of white South Africans and harden their resistance to change.
While the international com-

munity cannot stop an over-throw of democracy in Nami-bia, it can be made more difficult. The first step is to continue monitoring the constitutional and human rights record of the country. Here the Commonwealth can begin to restore some of the credibility it has lost by focusing on the evil of apartheld in South Africa and overlooking abuses elsewhere on the continent. The Commonwealth heads of government who met in Kuala Lumpur last month belatedly agreed that it was necessary to strengthen "democratic institutions in member countries." It should start by playing a watchdog role in Namibia, which is expected to join the

Commonwealth.

A similar function could be performed by the UN, redress-ing its mixed record on Namibia. The world body unwisely gave Swapo the status of sole representatives of the Nami-bian people, and turned a blind eye to the party's misuse of funds intended for Namibian refugees in Angola and Zam-bia, and to the torture of dissi-dent members held in Angola.

Perhaps the most effective sanction is financial. The new Namibian government will be seeking assistance from the donor community. It deserves help in efforts to redress the inequalities left by South Africa's occupation of the territory. But it should be made clear to the new government that aid to post-independence Namibia will be linked to its

# Max Wilkinson on the removal of reactors from the UK electricity flotation

# The end of a nuclear dream

he Thatcher Government yes-terday drew a line under the costliest failure in Britain's industrial history: the attempt to develop an economically competitive nuclear power industry.
The decision, announced yesterday, to
withdraw the 14 civil nuclear reactors
from electricity privatisation and to
drop the programme for a "family" of four new pressurised water reactors (PWRs) is a final admission, 34 years after the civil nuclear programme was launched, that the costs are hopelessly uncompetitive.

It is a failure which will not sur-prise observers in the US where, with notable exceptions, nuclear power has proved to be a commercial disaster, and the programme came to an effec-tive halt a decade and a half ago.

tive halt a decade and a half ago.

However, this does not mean that nuclear power is inherently uncompetitive. France, which now produces 75 per cent of its power from 50 nuclear reactors, has brought costs down to a highly competitive level. In Japan and West Germany too, the nuclear programme has been technically efficient and potentially cost effective according to an authoritative recent study from Sussex University\*.

But in Britain, after two decades of

But in Britain, after two decades of wrangling about which brand of nuclear reactor should follow the first generation of Magnox plant, the first American-designed PWR is only now being built at Sizewell in Suffolk. This will be continued only because it is thought more expensive to abandon the film sunk into the project (more than half of the total) than to accept losses stretched over the next 25-30

years of its life.

Confidential figures provided by the Central Electricity Generating Board to the Government suggested that the cost of power from the PWR, at 9p per kWh (one unit of electricity), could be because the providence that the provi almost three times that from the most efficient coal-fired plant. Since no private sector industry would finance a project with such a cost disadvantage, the Government was forced, in its original privatisation plans, into a series of regulations which would have created long-term distortions in its new electricity market.

The most important were the requirements that the 10 area distribution companies should be ordered to buy a minimum of "non-fossil-fuel" electricity, and that the nuclear programme would be subsidised by a

1947: UK's first atomic reactor opens at Harwell 1953: British Electricity Authority (CEGB's foreru ower branch 1954: UK Atomic Energy Authority 1955: First nuclear power station

programme launched; Government orders Magnox-type plants with combined capacity of 2,000MW 1956: Calder Hall, Cumbria, world's first large nuclear power station connected to grid; also produces atonium for atomic weapons 1957: Nine Magnoxes ordered

"non-fossil-fuel levy."

The latest projections by some of the Government's advisers suggest that this levy - a euphemism for a nuclear tax on electricity producers would have risen to perhaps 1p per unit, or more than 25 per cent of the average wholesale cost of power. This levy would be in addition to substan-tial guarantees which the Government was being pressed to give to meet unexpected costs for decommis-sioning old plant. Even in the last 18 months unexpected additions to projected decommissioning costs have dwarfed totals budgeted earlier.

This summer, as the two generating companies, National Power and Power

companies, National Power and PowerGen moved to action stations for the final battle over contract terms for supplying the 12 area distribution companies, the nuclear levy bulked as a larger and larger obstacle. A 5 per cent or even a 10 per cent surcharge might have been absorbed without too much difficulty. But a levy approaching a quarter of electricity costs would seriously undermine the competitive position of the distribution boards, and make them unattractive boards, and make them unattractive

to investors. The reason is that a new generation of small gas-powered turbines has become available in recent years, offering low capital costs and very high efficiency. Some experts claim that a modern two-stage gas turbine which would take only three years to build, could provide power at well under 3p per unit. In the new competitve world, even medium-sized industrial companies or industrial estates would be tempted to build their own plant to escape the nuclear levy. So in the next decade or so the distribution companies would face the loss of a

large part of their customers.
To protect the distributors, the Government agreed to restrict competition in the first eight years after privatisation, guaranteeing the distributors a monopoly of all customers using less than IMW for the first four years and a monopoly below 100kW for the next four years.

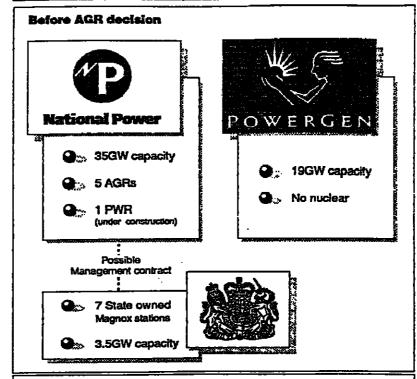
But additional restrictions would be needed to frustrate the do-it-yourself aspirations of industrial companies for building gas turbines on their own sites. Until a few weeks ago the Gov-ernment was wrestling with the unat-tractive question of whether firms should be forced to pay a nuclear levy even when generating for their own

following Suez oil crisis (last reactor commissioned 1971) 1962: First commercial Magnoxes, marking end of UK's first nuclear erkeley, Glos., and Br Essex, open 1962: Switch to Advanced Gas Cooled reactors (AGRs). First five AGRs ordered — Dungeness B, Hinkley Point B, Hartlepool, Heysham and Hunterston B

1965: Three more Magnoxes — Trawsfynydd, Hinkley Point A and Dungeness A - operational 1966: Sizewell A (Magnox) 1971: Wylfa A, last Magnox, opened,

power programme 1976: First AGRs commissioned - Hinkley Point B, Hunterston B 1978: CEGB and SSEB told to order one new AGR each 1979: Incoming Cons Government says 10 new nuclear power stations should come on stream at rate of one a year between 1982 and 1992 1981: Commons Energy Commit estions need for so many new nuclear plants; Government reafilms its programme. (France catches up with US in manufactur

Electricity generation in England and Wales



After AGR decision P OWERGEN **National Power 2** 30GW ☐ 38 19GW capacity capacity Omboliean No nuclear ♠₂ No nuclear

**2.** 8.9GW capacity (3.5GW Magnox 0.4GW Magnox formerly owned by BNFL 5.0GW AGRs) On 1PWR 1.2MW (under construction)

State owned

use on their own site. This would provoke a roar of protest from those big companies which will anyway face a 10-15 per cent price rise as a result of the withdrawal of concealed subsi-

One Gigawatt (GW)=1,000 Megawatts (MW)

Why did the tide of nuclear costs rise so fast without Ministers appar-ently realising that it would wash away the supports of privatisation? They can hardly claim they were not toldin addition to a flood of warnings from independent analysts, the Energy Department was receiving dis-turbing signals from the CEGB and its bankers more than 12 months ago. A letter showing the CEGB's mounting exasperation was sent by Mr John

Baker, managing director, to Mr John Guiness, deputy secretary of the department, in January.

The first draft said: "There are very intractable problems in the nuclear area . . . " It complained that the

department refused to discuss an overall strategy and warned: "We are not sure you fully appreciate the range of risks to which National Power might be exposed . . But on April 20 Mr Michael Spicer,

the junior Energy Minister, was able to rise to his feet at the British Nuclear Forum and proclaim: "In the middle of all the advice swirling around them, the Government stands firm in its belief in the future of nuclear power and of a thriving priva-tised electricity supply industry."

By July, the Government had real-ised that the old Magnox stations with little productive life left and

uncertain decommissioning liabilities would have to be withdrawn. But Mr Cecil Parkinson told the House of Commons that the newer Advanced Gas-cooled reactors were showing a marked improvement in operating

and export of PWR). CEGB decides

PWR is better than AGR 1983-85: Longest ever public inquiry

on bid to build UK's first PWR at Sizewell, Suffolk 1987: CEGB wins Sizewell Inquiry,

1988: Government announces electricity privatisation and intention to self CEGB's nuclear power stations as part of National Power

and Scottish plants as part of SSEB 1989: March, CEGB announces early

closure of Berkeley, oldest Magnox

starts work and applies for a PWR at Hinkley Point

achieved.

1989: July, National Power anounces intention to build third and fourth PWRs at Wytta and Sizewell

1989: July 24, Magnox stations pulied out of privatisation 1989: November 9, AGRs and half-built Sizewell B PWR withdrawn from privatisation. Government says they will be run by new public sector Power told to reconsider plans for

## Montagu has style

■ Whenever David Montagu attends a Cartier board meet-ing, he slides back a fashionable cuff to flash an unfashion-able Seiko at fellow directors. His Japanese watch costs only a fraction of the price of a Cartier timepiece — or one from Piaget or Baume & Mercier, the even more luxurious Swiss Cartier empire last year. More-over, if anything goes wrong, he explains, he can throw it

away.

Montagu's common touch
belies his blue blood – he is heir to the third Baron Swaythling – and a long and eventful City career. Despite a record of abrupt departures, his position as executive chair-man of Rothmans International appears to be in no immediate danger from yester-day's move by Richemont, the Swiss-based vehicle of the South African Rupert family, to take majority control of the

tobacco group.
At 61, Montagu has had
more than his share of top City jobs. After helping to invent the split-level investment trust a financial structure which still leaves lesser minds reeling, in 1970 he became the first Montagu since before the Second World War to head the family's merchant bank, Sam-

uel Montagu. When Midland Bank bought Montagu in 1973, he spent nearly six years as head of Orion Bank, before departing in a disagreement over future ownership. Less than a year later, he and John Craven (now fighting to retain Morgan Grenfell's independence) left Merrill Lynch International in similar circumstances.

Down to earth

The man on the crowded Underground platform at Green Park station yesterday afternoon was probably just as impatient as his fellow pas-

# **OBSERVER**

sengers, but at least he had the consolation of knowing that they no longer could blame him if the trains were not running on time. The for-mer Transport Secretary, Paul Channon, appears to have adapted to life without ministe rial perks. Like a veteran straphanger, he squeezed into a packed Victoria Line carriage, and was away, leaving the less agile to await the next train. sked to comment, he mumbled politely.

### Not Mecca

■ The opening of the frontier between Libya and Egypt for the first time in over a decade last summer turns out to have had one unexpected effect. Some 25,000 Libyans travelled from their country on the annual pilgrimage to Mecca. Only 4,000 reached Saudi Arabia. It appears that fully 21,000 were waylaid by the more earthly pleasures of

Pop in La Paz ■ Bolivia, not the richest country in the world, may be about to make some money. Its Gov-ernment is suing for plagia-

Dance floors across Europe have been swaying to the salss rhythm of Kaoma, the latest offering from the French pop group, Lambada. The record has been top of the hit parade in France and Spain for 13 weeks and is now climbing the charts in Britain.

The Bolivian Government, however, says the French have stolen the tune from Krakas, a La Paz band which composed the folk song in 1986. A spokes-man at the London embassy said there may be a claim for \$1m damages. "Action is being taken in Bolivia. The Govern-ment is concerned that Bolivian music is being played by



"Et tu, advanced gas-cooled reactors?"

others without any credit to the country of origin. It was made in Bollvia and they have no permission to use it."

CBS records, which acts for Lambada, said the Bolivian claim had already come before courts in France and a result is imminent. A CBS spokesman added: "I had no idea it was the national anthem. I'm fairly ignorant about this Bolivian

Fisher Prize

■ The late Sir Antony Fisher was effectively the founder of the Institute of Economic Affairs. He wanted to go into politics, but was talked out of it by Friedrich Hayek.

Fisher had read Hayek's Road to Seridom, and been much impressed. Hayek then told him that the first task was to persuade the intellectuals: "It will be their influence on society which will prevail; the politicians will follow."

Fisher took the advice and went ahead and made money out of farming. The IEA was founded on the profits of his

Buxted chicken business. Thereafter he played a self-ef-facing role, letting the intellectuals get on with the job of bringing round politicians to market economics. Milton Friedman wrote that the U-turn in British economic policy executed by Margaret Thatcher owed more to Fisher than to any other single individual, despite the fact that most people in Britain had never heard of him. He died in San Francisco

last year. The reason for mentioning him now is that there is to be an annual Fisher Prize, worth not less than £10,000, for "the best contribution to public understanding of the political economy of a free soci-

Entries of already published work should be sent to the Atlas Economic Research Foundation (UK), Bassetts Manor, Hartfield, Sussex by the end of this year.

### El Vino's

M Tomorrow's Lord Mayor's Show in London marks the 800th anniversary of the office although there have been only 661 Lord Mayors so far. The 662nd will be Sir Hugh Bidwell of Allied Lyons. He is the fifth this century to be a wine mer-

Bidwell will be presented with an 1879 Amontillado, specially bottled to mark the cen-tenary of El Vino's 10 years ago. The connection is that a previous Lord Mayor – Alfred Bower in 1924 – was the El Vino founder.

Bower's original wine company was called by his own name. He was obliged to change it when he became Lord Mayor and chose El Vino because that was already regis-tered as his sherry trade mark. And that is how El Vino's -

famous in the City as well as Fleet Street - was born. The sherry will be given to the new Lord Mayor by the Tory MP, Sir David Mitchell, who helps to run El Vino's today and is the grandson of

cessful future in the private sector."
And he confirmed that the Sizewell
PWR would be followed by three more private sector PWRs. The rise in costs reflects construction and regulatory difficulties, which forced the CEGB to add £170m to its estimates of the total Sizewell cost. It also follows from the much higher

In his last statement as Energy Sec-

retary, Mr Parkinson said: "Therefore

we have good reason to believe that the AGRs will have a long and suc-

required rate of return on capital in the private sector — at least 8 per cent compared with 5 per cent — when the plant was planned. But the most damning indictment of the CEGB is that cost estimates also rose when outside bankers, economists and advisers started to comb through the figures in preparation for the saic. In the end, however, it was the uncer-tainties as much as the level of costs which caused a near rebellion among City advisers, which have watched US private utilities being driven to the edge of bankruptcy by nuclear finan-cial liabilities. With subsidies at such a high level, the City was asking why future British Governments should be trusted any more than the many US regulatory commissions which reversed their support for nuclear projects when costs rose, leaving utilities in the lurch.

The transfer of the nuclear stations into a state-owned corral will do nothing to solve these cost problems no the continuing doubts about whether the AGRs can be made to run at about more than half throttle. However, it removes the great overhang of risk and will allow the Government to make more flexible judgments about who should bear the extra costs, tax-payers or electricity consumers possibly through a reduced levy.

It leaves an industry with only two generating companies, rather ill-matched, instead of the three or four needed to provide effective competition. But that is a problem which the Government is not prepared even to reconsider. The only consideration is to get the show on the road in some sort by next autumn. And most advis-ers agree that without the nuclear millstone this mission will be

\*The realities of Nuclear Power by Steve Thomas, Cambridge University

r electricity company. National zinina PWRs

Maurice Samuelson



OMEGA CONSTELLATION. THE WATCH SOLD AT LEADING JEWELLERS AROUND THE WORLD.

"WHY", an infuriating but perspicacious reader asked the other perspicacious reader asked the other day, "do you now keep hinting that Labour may yet come to stand a chance of victory at the next British general election? Just a few months ago you demonstrated conclusively that it was mathematically impossible for them to win. Is it, or isn't it?"

The first and most important thing that has changed, smartypants, is that something impossible keeps hap-pening somewhere in the world every day. At the start of the year the South African government seemed immov-able; now it appears flexible and most observers expect that Mr Mandela will be released early in the New Year. We have a black Governor in Virginia and a black mayor in New York. Soli-darity takes power in Poland. Hungary gallops towards establishing itself as a capitalist liberal democracy. Earlier this year, when I visited East Berlin, the regime seemed set in concrete as hard as that which still binds Romania. German re-unification was said to be not on anyone's agenda. Now it is on everyone's agenda and the bricks on the Berlin Wall itself

may soon begin to crumble.

It is plain, therefore, that in politics nothing is impossible. Yet a Labour victory next time remains as close to impossible as you can get. It requires not so much a political landslide as a political miracle. Let us remind our-selves of the mathematics. There are 650 MPs in the House of Commons. Labour has 229, which means that it needs 97 more to win an overall majority, and 100-plus to win an overall majority, and 100-plus to win a working majority. It may pick up a few of these in Scotland and Wales, and a few more in the north of England, but for the most part it must build up its hundred in the midlands and south. A recent regional poll by the Press Association suggests that it is design both. ciation suggests that it is doing best where it least needs to, and worst in the south, where it must have a substantial number of victories. Private assessments of local council by-elec-tions indicate that while Labour is troubling the Tories in the midlands it is not yet chalking up the necessary

successes in the south-east.

The mathematics can be put another way. For Labour to gain enough extra seats to form a coalition with the remnants of the smaller parties the swing from the Tories will have to be twice as big as any since 1945. To win the 100-plus extra seats necessary for an overall majority Labour will have to do three times as well as its best in the past 45 years.
Current opinion polls suggest that if
the election was held today such a
miracle would be guaranteed, but the
election is not being held today. It
need not be held until mid-1992. That
gives all of the coming two years plus gives all of the coming two years, plus a half, to the Tories. They could use it as time in which to recover.

Will they? Consider first the reasons why they may. There is now a strong Cabinet, with several powerful, suitably telegenic, ministers to place before the public eye. Never mind how they got there. The Foreign Secretary, Mr Douglas Hurd, looks like a proper Foreign Secretary and will surely do well. Mr Chris Patten writes

POLITICS TODAY

# Striving for the (nearly) impossible

By Joe Rogaly

and speaks excellently; his danger is that as Environment Secretary he will be drowned by pollutants labelled
"water privatisation," "poll tax" and
"artificial rows with Brussels." The
new Chancellor, Mr John Major,
should not be underestimated. He is not a rousing public performer, but he is intelligent, a hard worker, and determined to demonstrate that he is not subservient to the Prime Minister. In electoral terms he is probably an improvement on his predecessor, since he is little known and therefore neutral, while Mr Nigel Lawson was

well-known and unpopular.

It is also just possible that Mr Major will enjoy the good fortune of arriving at the Treasury just as Mr Lawson's squeeze on private spending begins to work. If the next three sets of monthly trade figures are as bad as the last three the Contemporary will be the last three the Government will be hard-pressed not to panic, but the worst may be seen to be over before that. Think ahead to, say, late 1991. If by then Mr Major's efforts, plus those of the US Federal Reserve, produce a British rate of inflation approaching 5 per cent, plus a mortgage rate in single figures, the Tories will be close to invincible

It is, of course, a big if. The doubt about the economy is one important reason why it is now possible – just — to imagine Mr Neil Kinnock leading Labour to a miraculous victory.
There is, however, another reason why the Tories may find it difficult to recover. They have become accident-prone. This applies to the conduct of business-as-usual as much as to the great public farces that accompanied the removal of Sir Geoffrey Howe as Foreign Secretary and the resignation of Mr Lawson as Chancellor. The Government's resistance to the ambulance drivers' pay claim makes sense in terms of fighting public sector wage inflation but, so far, it is the union that has demonstrated the greater ability to win the political argument. Yesterday's climb-down on the nuclear sector of the electricity privatisation programme is a devas-tating indictment of both the Government's strategy and the hopeless muddle made of it by the previous Secretary of State for Energy, Mr Cecil Parkinson.

Mr Parkinson.

Mr Parkinson is now in charge of transport. He is beginning to get to grips with it, following a period of recovery from the shock, first, of being removed from energy and then of witnessing the retrospective rub-



bishing of his period of office there by the tidying-up activities of his successor, Mr John Wakeham. He has also been obliged by his new department to accept that transport is a difficult problem. Now he is about to be put to the rack as logic and the Confederation of British Industry demand a heavy investment of taxpayers' money in transport infrastructure, while his own and the Prima Minis. while his own and the Prime Minis-ter's instincts gag at the notion and the Treasury puts the brakes on any-

These are perhaps passing troubles. The Conservatives should be more concerned about the fact that they seem to be running out of big ide Where is their great radical revolution now? They may yet propose the privatisation of British Rail, but for the moment they are running scared. Ditto any further liberalisation of the market for rented housing, or greater tightening of social security, or the introduction of a per-mile road usage charge. The new big idea may be the ten-year plan for protecting the environment, which Mr Patten is preparing for the Prime Minister, and which she advertised at the United Nations on Wednesday. This has already led to tense initial exchanges between the Environment department and Transport, Energy and Agriculture. It may have to roll the frontiers of the state forward again if it is to be credible.

Their greatest concern of all — and one that gives Mr Kinnock his hope of a miracle — lies in the display of disunity and confusion that the Cabi-net has presented to the voters over the past few months. This may be curable, since the Prime Minister appears to have accepted that a majority of ministers are not only non-Thatcherite but in some cases on the distinctly liberal wing of the party. Mr Hurd and Mr Major both understand very well indeed that she would find it extremely difficult to sack them, which means that they can lead a movement to insist on the restoration of collective decision-making by the Cabinet.

That at any rate is the picture painted by optimistic supporters of both the Government and Mrs Thatcher. What spoils it is everyone's knowledge of the personality of the Prime Minister herself. She just cannot help offering what she calls strong leadership or conviction politics. Just imagine the scene.

It is, shall we say, March 1990. Sterling is falling sharply. Mr Hurd presses strongly in Cabinet for a more pro-European Community stance, and he is supported more effectively by Mr Major, who is trusted as "sound" by the Prime Minister, than was Sir Geoffrey by Mr Lawson. Mrs Thatcher, her own sweetly reasonable self, assents to the general opinion and agrees to indicate an early date for British membership of the exchange rate mechanism of the European Monetary System. Cabinet unity is maintained. But is it? We all know the Prime Minister by now. In such circumstances, she would find it excruciatingly difficult to prevent her-self from bursting out, in a Parliamen-tary answer, or a speech, or through one of her advisers, that the agreed decision was wrong, all wrong.

Short of a period of 30 months of uninterrupted economic gloom it would require such an event to propel Labour into power. It is here, in the volatile nature of Mrs Thatcher when to mes to matters about which she feels strongly, that the danger to Government unity and therefore Tory victory lies. This is a wholly unpredictable matter. The only honest answer to the question everyone keeps asking in a dozen different ways - "Is she finished? On the way out? Going soon?" - is "I don't know." Nobody knows. Even the Prime Minister herself is unlikely to know, unless she has already made up her mind in pri-vate. She certainly didn't look like someone on her way out this week, as she dashed off to New York to address the UN on Britain's plan to save the world environment.

The question remains important. Just half a year ago, on the tenth anniversary of Mrs Thatcher's arrival in 10 Downing Street, nobody would have thought to ask it. It seemed quite plain then that she was there into the early 1990s at least, following a fourth general election victory in 1991 or 1992 and that she might well stay on for a fifth and sixth and lead the New Century Eve celebrations on December 31, 1999 at the perfectly respectable age of 75.

Now she appears to accept that this is not to be. She may fight one more election, but her own belief, as set out in her interview with the Sunday Correspondent at the weekend, is that while she hopes to lead the party to the polls next time, she does not think it is likely that she would fight a fifth general election. She may or may not go next month, or next year — but the prospect of someone else taking her place as Prime Minister is now a real one. The question of when, or whether it is Mr Kinnock or another Conservative, is now more than ever

LOMBARD

# The disappearing adviser

By Barry Riley

HOW CAN YOU protect the removal of a few of these investors by driving independent companies from an over-fragdent advice out of the market

It is not yet quite as bad as that, but it soon will be. Some 18 months after the main provisions of the Financial Services Act came into force the availability of independent financial advice in the high street is under severe pressure. Royal Bank of Scotland and Nationwide Anglia Building Society, with some 1,700 branches between them, are the latest important defectors. Pleading that customers do not understand or respect the need for independent advice, they are turning their national chains of branches into tied outlets for the investment products of two life companies. Only National Westminster Bank and one or two medium-size building societies (led by the 250-branch Bradford & Bin-gley) are still flying the independent flag. If they give up the struggle, independent, unbiased advice will be available only through the back-street offices of the 8,500 members of Fimbra, the self-regula-tory body which supervises independent financial advisers, and through non-specialist insurance brokers, solicitors and accountants.

Not only are the numbers of Fimbra members still shrinking, but they are focusing more and more on the wealthier section of the population - as do solicitors and accountants. Rich clients may still get advised about the best opportu-nities on the market, but the average customer for a routine investment product is nowa-days most likely to be sold an in-house vehicle.

Is this what was intended when the FSA was devised? Did the new regulators really expect that the "polarisation" rule, which lays down that an adviser cannot sell both an in-house and a third party product, would have such a devastating impact on independent advice?

The next stage will be the disappearance of dozens of life assurance and unit trust com-panies which in the past have sold through independent advisers but are now rapidly losing their outlets. Perhaps companies from an over-frag-mented market will not do any harm. But the process could go much further than anyone is expecting. Commercial success will in future be determined very largely by distribution power, not by quality of the

Already the struggle for out-lets has led to a bidding-up of commissions paid to intermediaries, compared to the old max-imum commission scale laid down by Lautro, the body which regulates life company marketing. Some of the big building societies are now getting 170 per cent of the scale from their tied offices. This can only mean that the customer only mean that the customer will be paying more to get less. Ironically, polarisation was originally introduced – on the recommendation of the life industry – to prevent this kind of bidding-up. When the rules were drawn up commissions on independently sions on independently selected investments were fixed but commissions on tied products could not be, because of the complexity of the business relationships involved. Therefore when commissions on tied business went up, as they inevitably would in a highly competitive market place, it could not be expected that "best advice" would be given in an unbiased way. Polarisation was a drastic method of avoiding this con-

But as it has turned out the Government has insisted on the scrapping of the commis-sions scale. The regulators will in any case need to devise new ways of policing the market to prevent commissions bias. If so, should not the opportunity so, should not the opportunity be taken to scrap the polarisa-tion principle, which besides being damaging in its broader effects is now largely redun-dant in avoiding conflicts at the point of sale?

If the current reshaping of the investment industry had been foreseen when the rules were being devised four or five years ago it is hard to imagine that the polarisation concept would have got beyond the first working party. But turn-ing the regulatory supertanker around at this stage will take a

# Auditors are watchdogs, not bloodhounds

From Mr Howard Davies. rom Mr Howard Davies.

junior counsel together, agreed leading counsel's view unless either.

Sir, In your leader on the that interest rate swaps were and until the issue were It is important to be clear, igh Court judgement on local generally beyond the powers of decided by the courts. I believe too, that the Audit Commisauthority interest rate swaps (November 8) you say you find it strange that the Audit Commission, having received conflicting legal opinion on local authority powers in this area, chose to run with the opinion that encouraged continued swap market activity."

This seriously misrepresents the nature of the legal opinions we received and their impact on the market place.

When the commission sought clarification from counsel of the powers available to local authorities in 1988, three opinions were forthcoming. The first, from leading and

### Equity at work

From Mr David E. Reid. Sir, The conglomerate faces special problems in establishing employee share participa-tion schemes. Ideally, an employee (whether or not a director) should be offered special access to equity in both the corporate parent company and in the subsidiary for which he/she works. But pressure groups representing institu-tional investors oppose employee participation in the equity of subsidiaries of a corporate parent.

This is hampering the efforts of many conglomerates towards sensible employee share participating programmes. "Phantom share options" — not using actual shares but involving civilar shares but involving similar dilution of the corporate par-ent's earnings per share — do not violate institutional investor guidelines. David Reid.

Clifford Chance, Royex House, Aldermanbury Square, EC2

local authorities and that intermediary and deep discount deals (which were causing auditors the most concern at the time) were ultra vires. The second, from leading counsel alone, advised that so-called "parallel contracts," whereby transactions in which obligations under a swap may be used to hedge the position on an individual loan, could be lawful. The third opinion, from junior counsel alone, took the view that those, too, were

These opinions were circulated to auditors who were advised not to depart from

this was reasonable, particularly against the background of other opinions given to local authorities to the effect that their powers were far more extensive. Copies of all three opinions were also made available to market participants.

But applying the view of leading counsel did not "encourage dealing." Far from it. None of Hammersmith & Fullam's deals were consistent with that view. And, although our knowledge of local author-ity activity in this field is far from complete, I suspect that few deals done by other coun-

have confirmed, are "watch-dogs not bloodhounds." They are not normally consulted before deals are undertaken, and are therefore bound to act after the event. **Howard Davies** for Local Authorities in

sion's own role is limited. Local authorities and others

who deal with them have the

ing the lawfulness of their

transactions. The commission's duty is to advise auditors who.

as successive court judgements

prime responsibility for ass

England and Wales 1 Vincent Square, SW1

### The need to be right first time

From Mr Richard Green.
Sir, In the light of the decision not to sell the nuclear power stations, the UK Government should seriously consider two generating companies, National Power and PowerGen. The Government currently wishes to retain the merit order system under which the power stations with the lowest running costs are used the most, keeping total cost down.
The owner of a single power station does best by reporting his true costs when such a system is used, for if he set a

ning costs.

a further sub-division of the higher price his station would be used less often, missing

at a spot price above his run-A large generating firm, on the other hand, may gain by distorting the merit order and selling electricity from some stations at prices well above its production costs. These sta-tions would be used less, but

the price received by the firm's

remaining stations would be higher - because all receive the price of the most expensive station used to meet demand. A firm with enough power stations would profit by overstating some of its costs. Active regulation could pre-

vent such tactics, but a better solution might be to reduce the size of the companies until they have no incentive to act in this way. National Power could be split into three companies and PowerGen into two. The management information for this presumably exists, left over from the last division. This sub-division would not cause the loss of major economies of scale. The break-up might delay privatisation slightly, but would ensure greater benefits from a police that must be right first time. Richard Green,

Department of Applied Economics, University of Cambridge

## Chunnel vision

Skapkinker's article about the difficulties experienced by English managers in adjusting to the French business way of

It is a pity that English managers are not made aware of the obvious differences. André Maurois, the eminent French writer and philosopher, served and recorded that: One Englishman = an imbecile; two Englishmen = a game of cricket; three Englishmen = the British Empire. One Frenchman = an intelligent man: two Frenchmen = a conversation; three French-

I worked in Paris for 10 years

Watford, Hertfordshire

# From Mr Monty Berchten. I am amused to read Michael

life (November 3).

men = utter chaos (la

- and conclude, 30 years later, that plus ca change, plus c'est la même chose. Monty Berchten, 19 Ellwood Gardens,

## 'The current quality of investigative, campaigning journalism'

From Mr Andrew Neil. Sir, People who are locked intellectually into the 1960s and 1970s are condemned to perpetuate its myths. Thus Chris Dunkley writes (November 8) that The Sunday Times is no longer the investigative newspaper that it once supposedly was, citing recent documentaries on the "Guildford Four" and Cambodia to argue that investigative journalism is now the preserve of television. Such an argument is the product of a warped memory and a lack of basic research.

I do not for a moment long before the documentary

detract from the excellent documentaries Mr Dunkley cites, and as television matures it is encouraging to see it deploy so effectively the investigative techniques pioneered by papers like The Sunday Times. But it is nonsense to claim that television now has it all its own way. Our Far East correspondent, Jon Swain, probably the most respected British reporter on Cambodia, wrote several lengthy and authoritative pieces from inside Cambodia warning of the dangers of the return of the Khmer Rouge

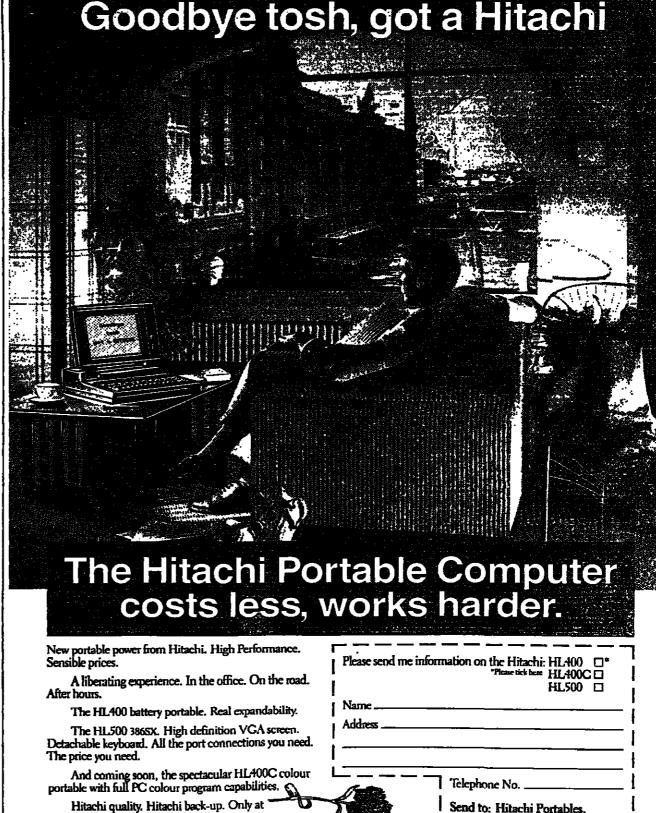
was broadcast. And if we were remiss in not doing enough to free the "Guildford Four," our investigative skills have not exactly been idle.

In 1989 alone our Insight team has exposed the companies polluting Britain's rivers, (the "water rats" reports), revealed BP's activities in Brazilian rain forests and investigated the financial relationship between Mr Owen Oyston and Derbyshire County Council.

Last Sunday our front page was dominated by the most thorough and revealing account of who was behind the

Lockerbie bomb, and we are in the middle of a major campaign to seek justice for haemophiliacs who have caught Aids from contaminated blood. The current quality of investigative, campaigning journalism in The Sunday Times is at least as good as it has ever been in the paper's history. If Mr Dunkley had consulted the cuttings files before writing he would have realised that. But it is not too late. Our files await his inspection. Andrew Neil, Editor, The Sunday Times,

1 Pennington Street, E1



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# FINANCIAL TIMES

Friday November 10 1989



**EUROPEAN MONETARY UNION** 

# EMS 'cannot wait' for Britain

By Lucy Kellaway in Brussels

BRITAIN will be left behind if necessary as the rest of the European Community presses ahead with monetary union, Mr Michel Rocard, the French Prime Minister, said in Brus-

sels yesterday. Issuing the strongest warning yet to Britian to join the EMS, he said: "Great Britain can do what it likes, but we

can't wait."

He likened Britain to the slow boat" of the Community's convoy and said that, following a strategic decision by the faster boats to steam ahead, "one slow boat will be left to its fate."

It would be regrettable to move towards monetary union without the British, he said, but there was an "urgency to complete what needs to be

Now that North Sea oil was running out, the time was right for Britain to join. He was speaking at a press conference given with Mr Jacques Delors, President of the European Commission, after a meeting between French minis-

ters and Community officials. His remarks increase the pressure on Mrs Margaret Thatcher before next month's leaders to reconsider her refusal to join. Earlier this week Sir Leon

Brittain, EC vice-president, said sterling should become a member of the EMS "within a very few months from now." Both Mr Delors and Mr Rocard sought to play down the rifts within the Community on the subject of Europe's rela-

tionship with East Germany. However, they questioned the view given by Mr Martin Ban-gemann, the internal market commissioner, that now was the time for the EC to start negotiations with East Ger-

"We are all uncertain about what is happening in the GDR let's await developments,

On the dispute between the France and the Commission over Renault, Mr Rocard held out the hope that a compromise could be reached. The Commission is considering asking Renault to repay a FFr12bn (\$1.9bn) subsidy granted by the French Government.

In what may amount to a softening of the French posi-tion, Mr Rocard said that "a price has to be paid for a com-

# Britain claims conspiracy over cattle feed

Ey Bridget Bloom in London and Laura Raun in Amsterdam

FOUR European Community Governments, with the back-ing of the European Commis-sion, were last night holding urgent inquiries into what Mr John Gummer, Britzin's Agri-culture Minister, has called a "major criminal conspiracy" involving the contamination of

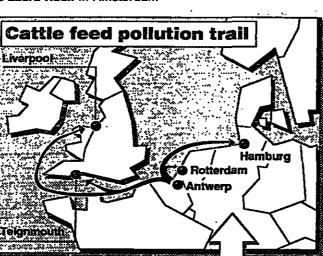
Britain, Belgium, West Ger-many and the Netherlands are seeking to discover how a consignment of lead-contaminated rice bran was incorporated into severe restrictions on 380 Dutch and possibly as many as 1,400 British farms

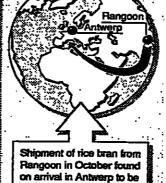
So far about 100 cows and calves have died and while British and Dutch officials say there is no danger to human health from either contaminated milk or beef, the issue comes at a politically sensitive time, given recent food safety scares in Britain and the Netherlands.

Mr Gummer has not spelf out his reasons for alleging conspiracy. His officials said that his main reason for seeking EC backing for an international inquiry was to establish

The facts known so far, British and Dutch officials say, involve a consignment of rice bran in a mixed cargo from Rangoon in Burma, which was found on arrival in Antwerp, in Belgium, to be "obviously con-

The bran's destruction was ordered but instead, "passing through several hands," it was imported into the Netherlands





by lead say officials

Officials ordered cargo to be destroyed. Instead shipped to the Netherlands where the rice bran was turned into maze glutten replacement pellets, a constituent of animal feed. The killer animal feed was then shipped to farms in Netherlands, West Germany and over 1000 farms in Britain through Teignmouth and Liverpool

where it was turned into maize gluten replacement pellets, a cheaper animal feed. The pellets, officials say, were sold on to Dutch millers and farmers and exported to Britain and possibly West Ger-

According to the UK Agriculture Ministry, two 550-tonne-consignments of the contaminated pellets were shipped to Devon and Liverpool.

Most of the latter, arriving after Britain had been notified on November 1 by the Dutch authorities of the contamination, has been seized. However,

the remaining 1.150 tonnes has been milled and marketed in feed by at least seven companies, mainly in Devon and Cornwall. By yesterday even-ing restriction orders had been placed on 940 farms. That could soon rise by another 300-400, officials said.

In Amsterdam yesterday , Slump, an animal feed manu-Slump, an animal feed manufacturer, filed a Fl 2m (\$1m) legal claim in the Rotterdam district court against three raw material suppliers.

Slump is accusing the three companies of knowingly dealing in contaminated goods and

thereby defaulting on their legal obligations. Among the questions which remain unanswered is how it was possible for an officially condemned cargo to escape destruction. A second is the degree to which the conspiracy of which Mr Gummer spoke

concerned only one contami-nated cargo of rice bran or whether a series of such fraudulent practices is thought to

have occurred.
Yesterday Commission officials and the Dutch Government were tending to play

# Nato fails to agree draft of arms treaty

By Judy Dempsey in Vienna

NATO was prevented from presenting the text of a draft treaty when East-West negotia-tions on conventional arms resumed yesterday in Vienna because of last minute dis-

agreements.

The original draft text, drawn up by the United States, referred specifically to a Nato-Warsaw Pact Treaty. This was rejected by, among others, France, which has persistently refused to regard the Conven-tional Forces in Europe (CFE) negotiations as strictly "bloc-

All 16 Nato and nine Warsaw Pact countries are involved in the CFE negotiations which aim to eliminate surprise attack by establishing secure and stable balance of conven-tional forces at lower levels. Failure to present the second draft apparently foundered on two main issues.

First, the text, which several East European diplomats described as a "good negotia-ting document," referred not to alliances but to "groups of countries."

Western diplomats conceded that the text could not reconcile "collective ceilings" agreed by each alliance with obliga-tions from the individual countries that these ceilings could be guaranteed.
In addition, at the last

moment, the Greek delegation raised objections as to whether or not definitions of certain weapons categories would be included in the text.

However, Nato diplomats said they hoped the draft would be ready next week.
At the same time, the Soviet delegation, led by Mr Oleg Grinevsky, announced to considerable surprise that it was time for Nato to start addressing the

question of naval forces.

These are excluded from the original mandate of the CFE

negotiations.

Nato remains reluctant to include naval forces in the CSBM discussions since it regards the swift and unhin-dered movement of forces across the Atlantic as vital for the security of the alliance. However, Mr Grinevsky stressed that sooner or later, if not in the CSBM talks then in

separate talks, reducing naval forces "on a global basis" and "in the interests of security" would have to be tackled."

But meanwhile, he and West-ern diplomats confirmed that four issues remain outstand-• How to agree on which

parts of Europe, from the Atlantic to the Urals, will be subject to certain reductions

• The Soviet Union's continuing insistence that its tactical aircraft and trainer aircraft should be excluded from reductions, to which Nato strenuously objects.

Resolution of the storage

issue. Unlike the Warsaw Pact, the Western alliance, for geo-graphical reasons, and as part of its strategy of flexible response and forward defence, has large storage facilities along the Central European zone. No agreement has been reached on how to monitor these depots and low-active

 Personnel: the Warsaw Pact wants reductions down to equal collective ceilings in each alliance. So far, Nato has proposed that only the Soviet Union and the United States should station no more than 275,000 ground and air force personnel in Europe.

# Menem threatens battle against strikers

By Gary Mead in Buenos Aires

ARGENTINA'S President Carlos Menem has given a stern warning to striking public transport workers in Buenos Aires and other cities, threatening to "give battle" in order to end the "sabotage" of his economic austerity pro-

Speaking on national radio and television on Wednesday evening President Menem promised to stand firm against "the law of the jungle" and "savage vandalism", a reference to physical attacks on buses, allegedly carried out by

trade unionists in order to prevent their operation. Bus services\_have\_been\_paralysed since Tuesday over a wage dis-

"This government has an immense power, which it is going to use. It has the force of popular legitimacy," said the

He would use "all legal means" to ensure the function-ing of all public services. Late Wednesday evening the govtransport if necessary.

At the same time the Ministry of Labour ordered compul-

rry of Labour ordered compul-sory arbitration for the bus strike, implying a temporary end to industrial action while wage negotiations continue. Mr Menem's warnings sug-gest he is willing to risk a con-frontation with the trade union movement, which has been the traditional bedrock of support for his Peronists. However, unless the unions are reformed and their privileges curtailed, Mr Menem's hopes of restruct-uring the economy will be

The response of the union, the UTA, was equally firm. Mr

Juan Manuel Palacios, UTA leader, said the strikers would not submit to arbitration but had decided to extend the strike "indefinitely".

Black market rates for Argentina's currency, the austral, reflected nervousness over growing industrial unrest and trade union opposition to the government's economic pro-

It was officially trading yes-terday at 650 australs to the US dollar, but street dealers were offering 890, against 710 at the start of the week.

# **Soviet** conference to draw up economic reforms

By Quentin Peel

in Moscow

ALL the top Soviet economists have been summoned to an extraordinary three-day conference in Moscow next week to draw up a long-range pro-gramme for the future of peres-

The key item on the agenda will be a plan for a comprehen-sive prices and incomes policy drawn up under the guidance of Dr Leonid Abalkin, the dep-uty prime minister responsible

for economic reform. He also proposes a phased timetable for transition to a new financial and banking system, the introduction of a capi-tal market, removal of subsienterprises and collective farms and the introduction of a comprehensive social security policy to protect the poorest from the effects of inflation.

The plan is likely to provoke disputes over key questions such as the definition of private property, the promotion of shareholding in enterprises, the need to retain price con-trols, and control over the growing co-operative move-

The Abalkin plan, published in the weekly Ekonomiches-kaya Gazeta, rejects both what it describes as the "conservative" approach to economic reform, and the "radical" approach. It opts instead for what it describes as "radicalmoderate". It sets out four

main phases of reform. In 1990, laws would be assed on property relations, a taxation system, and a two-tier banking system, creating an independent central bank. Wage indexation would be adopted, along with "prepara-

loss-making enterprises should be "liquidated", although it does assume they would be converted instead into different forms of ownership, instead of simply being bank-

begin. The process of trying to create a market, independent of the central state planning bodies, would begin with goods auctions and trade fairs, and permission to sell goods pro-duced in excess of state orders

Phase three, in 1993-95 would involve implementation of the two-tier banking system, using "credit levers, interest policies and other measures to regulate economic activity.

Anti-monopoly laws would be brought into effect.

By this phase, the plan suggests, partial convertibility of the rouble could also be intro-

# Bonn set for refugee flood

ose his rolltouro seat.

There remained some confusion last night over remarks by Mr Krenz at the opening of the Central Committee meeting on Wednesday that a "free, universal, democratic and secret." versal, democratic and secret election" would be allowed in

East Germany.

Mr Schabowski did not elab-

# Eleven charged in Blue Arrow affair

Continued from Page 1

include five former executives of County: Mr Charles Nigel Villiers, chairman, Mr Jonathan Cohen, chief executive. Mr David Reed, head of corporate finance, Mr Nicholas Weston Wells, corporate finance director in charge of the Blue Arrow issue, and Ms Elizabeth Brimelow, compliance director. A further executive still with the bank, finance director Mr Stephen Clark, was also

The 11th person to be charged, Alan Michael Keat, a partner with City lawyers Travers Smith Braithwaite. was responsible for delivering a legal opinion which had a

bearing on the actions of some of the others who were

All 11, together with the three institutions named, were charged with conspiracy to defraud. In addition, all but three - Ms Brimelow, Mr Keat and Mr Clark - were charged with conspiracy to contravene Fraud (Investments) Act 1958. This section, which carries a

maximum penalty of seven years' imprisonment, involves fraudulently inducing people to invest money. The 11 will appear in court today.

# Lloyds' magic reception

It is conjuring time again at **Rothmans Intl** the UK clearing banks. The stock market seems just as keen as ever to applaud the bankers' latest sleight of hand. Lloyds Bank, the smallest of the Big Four - but very much the trend-setter these days - was the first on stage yesterday with its latest version of the Third World debt vanishing trick. National West-

minster, perhaps with an eye to offering a counter-attraction to events elsewhere in the City, appeared a few hours later and waved its wand at the problem which has been haunting the UK banking sector for so many

Since NatWest's Third World loans are a third smaller than Lloyds and its capital ratios already significantly stronger, the effects are not as dramatic. fairly claim that by dint of their massive extra provisions they have put this problem behind them. in this respect, they have improved the quality of their underlying earnings, even though it only means that the nasty numbers have been shuffled around the balance sheet. On the other hand, if this sort of action prompts more debtor countries to sus-

pend interest payments it could damage a bank's cash flow, which is even more worrying. Lloyds' cover of 70 per cent Lloyds' cover of 70 per cent of its total exposure now puts it among the strongest banks in the world by this criterion. Yet it has paid a heavy price. Its projected end-1989 equity to asset ratio of 4.1 per cent compares with a figure of 5.8 per cent at the end of 1986, before it started building its Third World debt cushion. Fortunately, its rate of internal capital generation has been such tal generation has been such that it can afford it. But in so doing it has exposed the weak-

Blue Arrow

nesses of some of its rivals, in particular Standard Chartered.

However, the Bank of England

would be hard pressed to criti-cise a bank for being over-con-

implicated in Guinness were

from the world of industry:

Blue Arrow is a pure Square Mile job, involving the mer-chant banker, the stockbroker

and the City solicitor. Despite the resignations from the Nat-

West board, some might still

have regarded the alleged

offences as rather technical. It

tions for price reform".

By the end of the year, all

In the second phase, 1991-92, the plan suggests that all sub-sidies to state farms and collec-tive farms be phased out, with forms of property holding, ranging from big workers' co-operatives to individual family lease-held farms.

The plan admits that only in the second phase would the current fall in production be stopped, and some recovery at free prices.

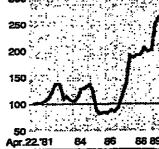
duced, "possibly with the intro-duction of a parallel currency." Finally, by the period 1996-2000 and beyond, "strong incentives for economic growth and for raising the wellbeing of the people will be created."

# Continued from Page 1

his post as District Party chief of Halle, and seems certain to lose his Polithuro seat.

orate on the statement except to promise that there would be no "quota" of reserved seats for the Communists, as attempted in Poland in the June elections

Share price relative to the FT~A All~Share Index



s the more sobering to reflect that eight of those charged could face a sentence of up to

even years. Whether this kind of affair is best dealt with through the criminal courts is an open question. The essential charge is clear: getting people to buy shares under false pretences. It is much less clear what a jury might make of such arcana as the late adding-in of shares and the abuse of the market maker's exemption. Yesterday's events also suggest curious dis-crepancies with the DTI inspectors' report. Several of those arrested were either cleared by the report or scarcely men-tioned at least one executive censured in the report has not been charged. But it is a fair bet that if the cases ever come to court, the DTI report will by then be a distant memory.

### Rothmans

It is easy to see what the principal parties achieved through yesterday's deal at Rothmans. Richemont has greater access to the tobacco company's cash flow, without paying cash itself or being forced to make a realistic bid. Philip Morris has escaped from a situation in which it could neither bid nor sell to an outside party without Richemont's agreement. It may not have achieved a very good price compared with the market, but If nothing else, the arrest of eleven people yesterday guar-antees the Blue Arrow affair an almost unique position in City folklore. Most of those it looks good against the price paid back in 1981. And the income on the loan notes will easily exceed the dividend

The minority Rothmans shareholders look in a far less happy position. They have the choice of accepting an illiquid loan note, valued at 12 per cent below yesterday's opening price, or remaining as minority shareholders in a company where the bid premium is likely to evaporate. If Riche-

mont had wanted to bid itself it would have done so at a berter price; if it had wanted to sell out to a third party, it would hardly have acquired the Philip Morris stake.

The solace for minority hold ers is the suggestion that Richemont and Rothmans will discuss "ways of enhancing the value of shareholders' inter-ests". This seems likely to involve some restructuring of the stakes in Dunhili and Cartier: but Richemont was studiously non-committal yesterday. Shareholders have done very well out of investing in Rothmans over the past three years. Without prompt details of a restructuring plan, their loy-alty may be stretched.

### Oil companies

Even though BP's third quarter replacement cost prof district placement that pro-its weredown by a third and Royal Dutch! Shell's down by only a fifth, the initial impres-sion was that BP had done rather well by comparison. However, strip out Shell's £101m currency loss and the differing performance is less obvious. BP benefited from higher oil prices but is suffering from lower production in the US. Meanwhile, Shell's above average exposure to the chemical industry may be less of a problem than sometimes feared, since despite obvious price weakness in some areas plants are still running at full

capacity.

The combination of above average yields, heavy dollar exposure and a firmer trend in oil prices means that both BP and Sheil have outperformed the UK market since it peaked in early September. With the prospect of yet slower growth in UK corporate profits, they should continue to outperform in a weak equity market.

### **PolyGram**

Yesterday's Lex column on the PolyGram flotation incor-rectly stated that PolyGram's net profits were half the previous year's and were unchanged from 1985. In fact, PolyGram's profits in 1988 rose by 37 per cent against the previous year. Against 1985, profits in 1988 cent. We apologise for the

error. The column also stated that PolyGram was heavily biased to classical music. Although classical music represents a larger proportion of Poly-Gram's sales than of the market as a whole, sales of popular music account for 77 per cent of its recorded music business.

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charged. Four of the others were employees of Phillips & Drew at the time of the rights issue.

Two of them, Mr Philip Martin Domville Gibbs, head of corporate finance, and Mr Christo-pher Graham Stainforth, a corporate finance director, have since left the bank. The other two, Mr Timothy Frank Brown, head of equity sales, and Mr Paul James Smallwood, an equity sales director, are still with the bank, though in different positions.

section 13 of the Prevention of



# **FINANCIAL TIMES** COMPANIES & MARKETS

Friday November 10 1989



### INSIDE

### Insulated against the chill wind

The Body Shop BODY SINOP solated against the chill wind blowing through the UK retail sector by reporting a 31 per cent increase in pre-tex profits for the six months to August 31. Chairman Gordon Roddick said the company had been slightly affected by the consumer spending downturn, achieving 12.per cent organic growth instead of the 15 to 18 per cent it had hoped for. "That is growth that almost all other retailers would

Bright lights amid the gloom European stock exchange turnover figures for October were split by the watershed of Friday the 13th. The horror film title swiftly became part of stock exchange legend, as Wall Street's mini-crash was reflected in a grisly combination of high volume and dropping share prices on continental bourses. Page 52

More ballyhoo

kill for," he said. Page 38



The Chicago Mercantile Exchange selzes every opportunity it can to fill the headlines with its plans for trading futures and options on a screen trading system outside its regular open outcry hours. So, it was really no surprise that Wednesday's announcement that the Marche a Terme international de France had chosen to link up with the system produced the usual round of self-congratulation. But for all the bal-lyhoo, Globex is yet to trade, writes Deborah Hargreaves. Page 32

Fight for life

The US Environmental Protection Agency's recent decision to ben the import and most remaining uses of asbestos in the US by 1996 may have the object of saving lives. But the move, prompted by increased awareness of the health hazards associated with the strong, naturally-occurring fibre, threatens to knock the life out of many towns in Canada, the world's second largest producer. Page 40

**Better than feared** 



Shares in Storehouse. the BhS, Habitat and Mothercare retail group headed by Sir Terence Conran (left), shrugged off a sharp drop in Interim profits from £23.6m to £8.7m and rose 6p to 112p yester day. The stock market was relieved that the figworse and that the

lysts had been forecasting a loss and a dividend cut. Page 34

Market Statistics

Base lending rates Benchmark Govt bonds European options exch FT-A indices FT-A world indices FT int bond service Financial futures Foreign exchanges London recent issues

London traded options London tradit, options Money markets Money markets New int. bond issues World commodity prices World stock mid indices Int dividends announced

Companies in this section Allegheny int'i Allied Insurance Net'l Australia Bank Nedcor Neil Lewis Assoc

Aviva Petroleum Body Shop Bond Corporation British Petroleum Cebra Estates Cons. Gold Fields Dai-Ichi Mutual Life Daiwa House Daks Simpson Denison Mines Disney Eisai Fujisawa Pharm.

Glamar Gleeson (MJ) Groupe Victoire Haden MacLellan Hanson Hutchison Whempoe Japonica Partners Kubota

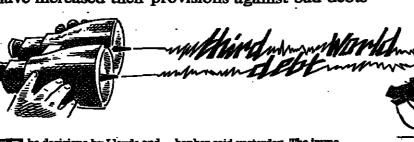
Nippon Life Nixdorf Computer Norcem Energy PacifiCorp PapalCo P'mouth & Sunderler Provide a Sunder Racal Electronics Rothschild (J) Royal Dutch/Shell Saga Petroleum Sea Containers Source Perrier Sumitomo Life Tiphook Toyota Transrap LIMW Holdings Veba WCRS Wang Laboratories Yale & Valor Yamaha Yamanouchi Pharm. Malaya Group Minorco

Chief price changes yesterday PARIS (FFr)
Risea
Alsol 913 + 40.5
Decent Ass. 440 + 36.3
GIM-Estrepton 1700 + 80.5
Gaz et Eas + 4.5
Pachabram 1957 + 120
Paris Filmes
Kofune 1396 + 140
Hitto Fistr. 1120 + 130
Tensite Section 1270 + 150
Feaths
Kovassisten Text. 1240 - 80
Killing 1200 - 150
Hitto Salmo 1200 - 150

25 10 4 4 31 4 5<sup>1</sup><sub>2</sub> 5 497 + 502 + 644 + 157 + 413 + 509 + 112 + 694 + 134 + 574 - 14 885 - 18 636 - 31 258 - 3 Lucas Inda Sainsbury (J.) Vickers 217 -

# Bankers jockey for stock market favour

Stephen Fidler explains why Lloyds and NatWest have increased their provisions against bad debts



he decisions by Lloyds and National Westminster Bank to increase their ions against losses on doubtful developing-country loans have one main motivation: to benefit from the rewards the stock market gives to those who bite the Third World debt bullet. They are both saying, however, that the reason is a serious and recent decline in the quality of their developing-country loans. Sir Jeremy Morse, the chairman of Lloyds, justified the move yes-terday by arguing: "In the past few months, we have seen a continuing deterioration in the servi-cing of this debt and a significant increase in uncertainty about the future flow of funds to these

According to Lloyds, 15 of the 29 problem debtors on its books are not paying interest. Only 60 per cent of the interest due to it from the Third World in 1989 will be read to the control of the contro be paid. Brazil, which owed it \$1.1bn at mid-year, has stopped paying interest, while Argentina has not paid anything since early 1988. The new international debt initiative launched in March by Mir Nicholas Brady, the US Treasury Secretary, has further muddled the outlook. Such countries as Venezuela, which bankers argue does not need debt forgiveness, are now demanding that their debts be sliced in haif.

The extent of the deterioration since the banks lifted their provisions to about 50 per cent at midyear is, however, arguable. One official at Midland Bank comomented: "Overall, the outlook for-mented: "Overall, the outlook for-developing countries over the last three months hasn't deterio-rated." That view could be judged as predictable given Midland's position, but it is held more widely than that.

Although Brazil stopped paying interest over the summer

Argentina has indicated that it is considering resuming some interest payments in January. Vane-zuela, another large debtor in

cent. Midland, which many believe could not afford to match the move, moved up a mere 2 pence to 334p, while Barclays, which could probably afford to match Lloyds and NatWest, man-

aged 5 per cent.

The architect of the decision to increase provisions is considered to be Mr Brian Pitman, the bank's chief executive. Under his influence, the bank has been redirected from one of the most inter-national of the British banks, to a domestic retail-oriented institution, a move which has met with

banker said yesterday. The imme-diate impact yesterday was an 8 per cent rise in Lloyds' stock price. NatWest managed 4 per

tional arena have proved illjudged, almost without exception. Some Lloyds officials, particu-larly those involved on the inter-

shareholder approval.
His view, repeated yesterday in an interview, is that all forays by British banks into the interna-

motivated by an attempt to deflect attention from the well-publicised problems at County NatWest, officials at the bank insisted that they had been pre-paring for some time to make the announcement today.

NatWest's move will mean that

it has made provisions against 65 per cent of all its lesser-developed country debt. If you take out some £220m of short-term trade and interbank lines now being serviced, the figure rises to 72 per

Lloyds has covered 72 per cent of its total debt and 85 per cent of

### Third World Debt Exposure

Provisions total (	as % of exposure	Provisions total e	as % o xposur
J.P. Morgant	100	Dresdner	50
Deutsche Bank	77	Barclays*	48
Lioyds	70	Standard Chartered*	46
Royal Bank of Canada	70	Chase†	46
NatWest	65	Bank America Corp.†	42
Societe Generale	58 ·	Citicorpt	29
BNP	-52	Man. Hanovert	36
Midland	50	Dai - Ichi	15

national side of the business, pri-vately think less of Mr Pitman's strategy. "While the building societies are trying to become banks, Lloyds is busy turning itself into a building society,"

Lord Alexander, said: "It is important to shareholders, cus-tomers and staff alike that we zuela, another large debtor in arrears at mid-year, has brought situation substantially behind

"This move is directed almost exclusively to shareholders," one Although cynics suggested the timing of the announcement was

including, one would surmise, Brazil and Argentina but excluding almost certainly Chile. The moves will take

banks significantly above levels implied by the Bank of England's matrix, the framework for debt

its medium and long-term debt. Mr Pitman says Lloyds has made 100 per cent provision for more than half of the 29 countries,

If they want to thumb their noses at Brady, they are now in a betprovisions which is now being revised and will be published soon. That was expected to sugter position to do so. On the other hand, if they want to make new loans they are now in a better gest a guideline of about 50 per cent cover, the level at which the position to do so, without the encombrance of past mistakes.

# **Philip Morris** sells its stake in Rothmans

By Nikki Tait in London

PHILIP MORRIS, the US tobacco and food conglomerate, is to sell its 24.9 stake in Rothmans International, the world's fourth largest cigarette producer, back to Richemont, a Swiss company set up last year to acquire the non-South African interests of Remberedt Group.

brandt Group.

Philip Morris acquired the interest in the UK-based tobacco and luxury products group in 1981 from Rembrandt, a South African tobacco-based multinational run by its founding Rupert and Hertzog families. Although Rembrandt itself has no voting interest in Richemont, a 50 per cent interest in the listed Swiss company is held by the Rupert family

The latest deal effectively returns control of Rothmans to the Rupert family. Richemont already holds a 43.8 per cent interest in Rothmans, and the reacquisition of the Philip Morris stake takes its voting interest up

UK banks stood after their mid-

year provisioning round. The clear implication is that the

banks were not pushed into this by the central bank, and that other banks will be under no offi-

cial pressure to match the moves. However, as the accompanying

table suggests, the moves leave some banks looking distinctly under-provisioned compared with

their competitors. Ignoring the Japanese banks, whose tax laws mean that 15 per cent is as much

as they can provide for, the one international bank which most

Even if the supposed deteriora-tion of the underlying problem is

viewed as a pretext in some quar-ters for the banks' action yester-day, the moves will be seen in debtor countries as a sign that, in spite of bankers' protestations to the contrary, they may be able to get away more easily with not paying interest.

Regularys for example, was also

debt strategy. Many banks in Europe believe they have been hustled too far, too fast, by the US Treasury since it embraced the debt reduction techniques of

the Brady Plan earlier this year.

stands out now is Citicorp.

to 68.8 per cent.

The UK company's domestic cigarette brands include Rothmans and Dunhill, Lord Extra,
Lux and Chesterfield in West Germany, Belga in Belgium, Caballero in the Netherlands, Peter Stuyvesant and Pall Mall Export in France and Winfield in Australia. Rothmans also holds 55 per cent stake of Dunhill Holdings, the luxury goods manufac-turer. With Richemont, it owns nearly all of the watchmakers Cartier, Piaget and Baume & Mercier.

Mercier.

The sale is being effected via an offer to all Rothmans shareholders from Richemont, but apart from Philip Morris, few are expected to accept. The consideration takes the form of unlisted loan notes, maturing in 1994, in Rothmans Tobacco (Holdings), a Jersey-based substidiary of Richemont. Richemont's advisers have estimated that the current value of the loan notes equates to 5880 of the loan notes equates to 588p per Rothmans share. On that basis, Philip Morris will receive

about £543m (\$814m).

The US group has given an irrevocable undertaking to accept Richemont's offer. Mr Hamish Maxwell, its chief executive officer, explained yesterday that the holding had been "more passive" than the company had anticipated in 1981. "We now consider it preferable to divest it," he said. The price paid by Richemont is well below the recent market price of Rothmans, which has been buoyed by speculation over how the shareholding situation might resolve itself. Yesterday it was greeted with disappointment by analysts, although Philip Mor-ris's advisers said the company's hands had been tied in negotiations by an "implementation schedule" dating from 1981. This restricted the means by which Morris or Rembrandi/Richemont could sell their Rothmans stakes.

# **BP** and Shell report drop in earnings

By Steven Butler in London

HIGHER world oil prices failed to bring much cheer to British Petroleum and the Royal Dutch/ Shell group, two of the world's largest oll companies, which yes-terday reported results for the third quarter of the year. Both companies saw earnings

paying interest.

Barclays, for example, was also worried that such aggressive provisioning sent to debtors an unhelpful message which risks worsening the problem, an official said yesterday. Mr Pitman believes the message from Lloyds will get lost in the weiter of other signals being sent to the debtors. The moves also have consequences for the international debt strategy. Many banks in fall in the quarter on a current cost basis, which eliminates the effect of fluctuations in the value of inventories. Shell's earnings fell by 20 per cent to £667m (\$1bn), while BP's net profits dropped by a third to £264m, although Shell remains ahead on profits for the first three quarters of the year.

BP was hit in all important parts of the business, and higher crude prices failed to busy program comming. These a third to £264m

upstream earnings. These dropped because of lower pro-

duction caused by difficulties in Alaska and the North Sea and by the sale of producing assets as part of BP's restructuring pro-gramme. Tax charges also rose significantly in the North Sea and in Alaska, where the local government slapped on taxes fol-lowing the Exxon Valdez oil spill.

spill.
Shell's upstream profits, by contrast, were strongly ahead, by 32 per cent at £244m, in spite of its production difficulties and Sea. Shell had higher crude production from Gabon, Syria, Colombia, and Nigeria, illustrating the advantages of its wide global spread of oil producing assets. Both companies suffered from lower chemicals prices. Lex, Page 26; Details, Page 37

# Nixdorf reports further big loss

NIXDORF COMPUTER, of West Germany, aimed to break even next year after this year's soaring losses, Mr Klaus Luft, chairman, said yesterday after the company expected result for the third

The company made a DM168m (\$91m) loss before tax in the period, 71 per cent more than the DM98m of the third quarter of 1988. Its loss in the first nine months was DM465m against

"We didn't expect the results would still be this negative," said Mr Alexander Magona, an ana-lyst with Paribas Capital Markets

However, he and other analysts felt the company was moving in the right direction by entering into technological partnerships so as to spread development costs and cut its capital spending. Nixdorf shares rose DM10 to

THORN EMI, the electronics and entertainment group, is studying other options for the future of its

defence businesses after failing to

find a buyer that would match its

asking price of about £300m (\$480m).

purchasing the Thorn activities include Thomson-CSF, the state-

controlled French electronics

company, which is currently con-

sidering making a joint bid with

British Aerospace for the trou-bled Ferranti International Sig-

However, Thomson's valuation

of Thorn's defence interests is

believed to have failen as much

as 50 per cent short of the price

Thorn EMI said yesterday that

the options might involve merg-

ers or joint ventures with other companies in the defence sector.

It denied that it had withdrawn

its defence interests from the

nal group.

being sought.

Companies that have discussed

By David White, Defence Correspondent, in London

DM321 yesterday.
Yesterday, Nixdorf gave details of three tie-ups, all with Callfornian computer concerns. Two, with MIPS Computer Systems and Pyramid Technology, extend existing agreements, while that with Tandem Computers is new. The moves are part of Nixdorf's move into systems integration and away from reliance on its own computer hardware.
Mr Luft called on shareholders

to be patient about future dividends. Nixdorf has aiready said there will be no 1989 payment after a sharp cut last year. He also repeated that there were no talks about a possible takeover. by another company, or any form of financial partnership.

Analysts said much of the high Analysts sain much of the menth third quarter loss reflected heavy, unspecified write-downs of old product inventory. The company said its inventory was DM236m lower on September 30

No buyer for Thorn defence arm

Mr Alain Hagelauer, finance director of Thomson, the nationalised parent company of Thom-

son-CSF, said Thorn had indi-cated it was withholding its offer to sell the businesses. But Thorn

stated firmly that its defence

than a year ago, with bank liabilities 16 per cent lower at DM600m. It also raised DM31m through property sales.

Its employee total was 5 per cent lower than a year ago. Mr Laft said the growth in costs had

But margins were still under pressure; the attainment of a pos-tive operating result, excluding inventory devaluations, for the second half would depend on revenue trends in November and December. Mr Luft said turnover should be 5 per cent higher over the full year at DM5.6bn. "The company is undergoing a

painful learning process," Mr Magona added. "I don't think Nixdorf is a company that people should write off too quickly. It is important that they have instigated the mechanisms for change, but it is maybe too early yet for any positive trend to

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activities were still for sale and that the prospectus circulated last summer was still valid. However, it would sell them only for a price that reflected what it considered to be their true value. In the interim it would continue to invest in this side of its business. manufacturer.

The company announced in June its desire to sell its defence side, with annual sales of about £300m, along with its Kenwood domestic appliance and gas meter activities. Its defence business includes radar, fuses and electro-

optical devices. Thorn EMI was on a list of 11 European companies identified by Thomson at the beginning of the year as candidates for "reshuffling" moves in the European defence electronics indus try, needing either to forge alliances or to divest.

The French group has since agreed to buy the bulk of Philips' military interests for about

Mr Hagelauer said it had held discussions but not negotiations" with Racal, which is seek ing partners for its military activities, and had also looked at Singer Link Miles, the simulator

Its discussions with Thorn took place during August and Septem-ber, he said, adding that the prob-lem was not solely a question of price but also compatibility with the areas of defence on which

Thomson wanted to concentrate.
"Today, given the situation, we feel we cannot make a deal," he

### INTERNATIONAL COMPANIES AND FINANCE

# Saab agree to loan for jobs deal

By John Burton in Stockholm

THE SWEDISH Government yesterday agreed to grant a loan of up to SKr1.2bn (\$187.5m) for the development of the Saab 2000 airliner in return for the creation of 1,350 new jobs by the Saab-Scania

The loan, which would be paid back by royalties from 2000 sales, will cover about a quarter of the project's total development cost, estimated at SKr3.8bn at current prices, The 2000 is the second com-

The 2000 is the second commuter airliner to be developed by Saab Aircraft, which has specialised in combat aircraft during its 50-year history.

It is a stretched 50-seat version of the 34-seat Saab 340 launched in 1984. The 2000 has received 40 firm orders and 84 options, totalling SKr9bn,

since the project was formally announced in May. Saab promised that in return for the loan it would locate the bulk of the 2000's development and production activity, including the con-struction of the fuselage and final assembly, in Sweden. This would add 850 jobs in the

aircraft division. aircraft division.

The 2000's engine is being manufactured in the US by General Motors' Allison division, the wings in Spain by CASA, the stabilizers in Finland by Valmet and the propellors in the UV.

lers in the UK by Dowety. Saab-Scania also promises to build an engine factory for its build an engine factory for its car division in the economically depressed city of Karlskrona as well as spend in Sweden two-thirds of Scania's planned production investment of SKr1bn between 1990 and 1992. This would create another 500 new jobs.

Development costs for the 2000 are likely to keep the aircraft division in the red.

 Kabi, the pharmaceutical division of Procordia, Sweden's state-owned conglomerate, is to buy Fides, the Spanish pharmaceutical group. Rabi said the deal would make it one of the bigger domestic companies in the fast-growing Spanish pharmaceutical market with projected annual sales of SKr500m.

# Sweden and Opposition to DRG bid folds over minority block

By Clare Pearson in London

OPPOSITION to the £697m (\$1.10bn) offer for DRG, the paper and packaging company, fell apart yesterday as institu-tional shareholders speaking for 28 per cent of the ordinary shares failed to agree on con-certed action to deny Pembridge Investments, the Ber-muda-based bidder, total

The unusual idea of forming a block of minority shareholders was turned out by repreers was turned out by representatives of some 20 big institutions, including Pearl and
the Prudential, who gathered
at Cazenove & Co, DRG's
stockbrokers, yesterday afternoon. A spokesman said afterwards that the group "after
careful consideration decided,
in the circumstances of this
particular case not to combine particular case, not to combine in opposition" to the 590p cash

Concerns about the largelyuntested legal status of such a minority group, together with not accepting the bid, were afterwards cited as reasons for the outcome.

Because it accounted for more than 25 per cent of the ordinary share capital, the group could have been more than big enough to block the hreak-up of the company, or else to have created tax diffi-culties for Pembridge, which is headed by Mr Roland Franklin.

Pembridge, with about 55 per cent of the shares, is likely today to declare its cash offer unconditional. Chiefly through purchases in the market, it passed the 50 per cent mark a week ago. But since then it has said difficulties in obtaining valid cover for the shares pre-vented it moving to the uncon-

ditional stage.

DRG said last night that its board had agreed to meet representatives of the bidder, after noting Pembridge's holding and the indication from shareholders that they did not intend collectively to oppose

the offer. This meeting will be the first between Mr Moger Woolley, DRG's chief executive, and Mr Franklin. Mr Woolley has said that he could not imagine having a conversa-tion with the US-based finan-cier. The failure to agree on concerted action in this case is a blow to those who had seen it as an opportunity to deter

other bidders aiming to break up British companies. The idea of the institutions combining together as a minor-ity was discussed at a meeting orchestrated by Lazards, DRG's financial adviser, and

Cazenove on Monday.

A divergence in the priorities of the participants then emerged. Some, were overwhelmingly concerned with the principle of the bid. Others were interested in obtaining better value by extracting a better price from Pembridge or participating as equity partners in the restructuring of

chemicals sector were the nine months' figures below the level

for the previous year, said

Profits in the final quarter

are set to rise, reflecting the continuing stable trend in earnings, Veba said. As a result, net earnings for the

# Oil sector earnings boost Veba

By Haig Simonian in Frankfurt

NET PROFITS at Veba, the West German energy, Chemi-cals and oil group, rose by 14.2 per cent to DM645m (\$350m) in the first nine months of this year from DM565m a year ear-lier, thanks largely to improved earnings in the oil sector and in electricity gener-

Group sales increased by 13.4 per cent to DM36.8bn in the same period, with oil and chemicals showing rises of 20.1 per cent and 12.5 per cent respectively. Turnover was also boosted by price rises for

certain raw materials and by the effect of some acquisitions.
However, the underlying sharply upward trend in earnings is partly hidden by a 41.3 per cent jump in taxes to DM985m. The rise stems from write-offs on the earlier sale of a subsidiary, Mark Producing, as well as goodwill considerations on an acquisition by Hūls, Veba's chemicals subsid-

At gross level, Veba's profits soared by 28.6 per cent to DM1.7bn compared with DM1.3bn in the first nine

dinary items jumped three-fold to NKr562m from NKr163m.

Operating expenses, however, rose to NKrl.66bn (NKrl.01bn)

after difficulties at an explora-

tion well which were not cov-ered by insurance.

After nine months, Saga's operating revenue doubled to NKr2.32bn from NKr1.07bn last

year should exceed the DM1.07bn reported in 1988. Veba's share price climbed by DM7.70 to DM321.50 yesterday. Investment spending decreased to DML83bn in the

# Saga operating profit soars

SAGA PETROLEUM, Norway's largest independent oil com-pany, increased its operating profit more than ten-fold to NKr560m (\$81m) in the first three quarters of this year, from NKr55m last year, helped by increased oil production and higher world crude oil

Pre-tax profit before extraor-

### Minorco is earning **'\$600,000 a day'**

MINORCO, the South African-controlled, Luxembourg-based investment company, is earning an annual interest of about 9 per cent on its US\$2.5bn of cash, about \$500,000 a day, writes Kenneth Gooding, Mining Correspon-

The company said this would lead to a substantial increase in operating earnings this year.

# Thyssen agrees to purchase Otto Wolff

By Andrew Fisher

THYSSEN, the West German industrial group, is to buy the Otto Wolff engineering company, former owner of the PHB Weserhütte (PWH) materials handling equipment maker handling equipment maker which it jettisoned two years ago when PWH ran into finan-cial difficulties. No price was given for yesterday's deal.

The main businesses of PWH were bought by Orenstein & Koppel, part of the Hoesch group, at the start of last year. PWH had filed for bankruptcy after efforts to reach agreement with creditors inside and outside the courts.

outside the courts.
The remaining Otto Wolff concern is now profitable. Yes-terday, Thyssen and Wolff, which is controlled by the Wolff family headed by Mr Otto Wolff von Amerongen, said "a good result" was expected for 1989, when turnover would rise to around DM3.3bn (\$1.8bn) from DM3.1bn.

The two companies have co-operated for more than 30 years in the steel processing sector and have two joint com-panies, employing about 6,000 people. The other main activi-ties of Otto Wolff are scrap metal, plastics and machinery trading and mechanical engi neering. Thyssen said the lat-ter two would fit in well with

existing operations.

The deal still has to be approved by the Federal Cartel Office in Berlin. As reasons for the takeover, the companies referred to the coming of the post-1992 internal EC market and changing conditions in the steel business. Mr Wolff von Amerongen denied reports earlier this year that the company was to be sold to Thyssen. Thyssen has recently been

reporting strong results —
first-half net profits were 29
per cent higher at DM372m.

Preussag, the West German
energy and commodity concern, said it would set the issue price for its planned three-for-four rights offering at DM225 a share to raise a total of DM1.36bn, AP-DJ reports. The 6.05m shares to be sold

will help finance the acquisition of Salzgitter, a state-owned steel and engineering group, for which Preussag is paying more than DM2bn.

# Fury uncorked as LVMH battle returns to court

THE BATTLE for control of LVMH Moët Hennessy-Louis Warrants, which is at the crivitton, the French drinks and luxury goods group, returns to Arnault's stake in LVMH. luxury goods group, returns to the courts today in an atmo-sphere of mounting bitterness. Mr Henry Racamier, head of the Vuitton clan and Mr Bernard Arnault, who took control of LVMH in Jamuary in part-nership with Guinness, the UK drinks company, have aban-doned their last pretences at politere is company

daggers in earnest.

Mr Racamier will make a last ditch attempt in court today to have the annual general meeting of Louis Vuitton, the group's luggage subsidiary which he chairs, delayed once

The meeting, due to take place next Wednesday, has already been postponed well after the usual legal limit. Mr Arnault is thought likely to use the meeting, when it eventually takes place, to oust Mr Racamier from his management position.

Further court hearings on November 14 and 20 are to decide on whether to cancel an

The court ruled last week that the issue was conducted

irregularly, although it refused at the time to cancel it, but Mr Racamier has not abandoned

hope. Mr Arnault, meanwhile, is expected to ask the LVMH

George Graham on a fist fight for control of the French drinks and luxury goods group

supervisory board tomorrow to strip Mr Racamier of the posts of vice chairman and managing director of the group's onagement board.
Other shareholders in the

group, including the Hennessy and Moët families, now appear to be closing ranks behind Mr Both Mr Alain de Pracomtal

and Mr Fred Chandon de Briailles, head of the Moet clan, are expected to make statements today criticising Mr

Racamier's stand. In the LVMH camp, officials note that even if the shares resulting from the contested warrants were cancelled, the Arnault, Guinness. Moet and Hennessy shareholdings would still represent a majority, while the Vuitton shareholding

while the vultion shareholding would still not reach a blocking minority.

They add that the cancellation of the warrants would cost LVMH around FFr4.5bn (\$720m) in lost capital and additional financing costs. additional financing costs, equivalent to half its total

Guinness, meanwhile, is seeking to remain somewhat aloof from the "minor annoy-ance" of the lawsuit; the com-pany says the fracas has not hindered the operational man-agement of LVMH, and in particular has not delayed the setting up of joint distribution networks between Guinness and LVMH.

# Legal row with Pepsi-Cola upstages Perrier sale plan

By William Dawkins in Paris

PLANS BY Source Pertier, the world's largest producer of mineral water, to sell its soft drinks division, were yesterday overshadowed by a legal tussle with Pepsi-Cola, the US drinks

Mr Stu Haugen, managing director of Pepsi-Cola de France, yesterday confirmed that the group was issuing a writ against Perrier's soft drinks subsidiary, Compagnie Francaise de Boissons Gazeuses, for allegedly failing to perform to the terms of a 27-year-long contract for bottl-ing and distributing Pepsi-Cola Perrier, meanwhile, said it was considering legal action for damages against Pepsi-

This is the latest in an extraordinary chain of events which began when Mr Gustave Leven, Perrier's chairman, said earlier this weak he was pre-pared to sell his soft drinks division for between FFrL7bn (\$272m) and FFr2.5bn.

Pepsi-Cola announced almost immediately afterwards that it planned to end Perrier's franchise to bottle its drinks in France, but maintained that this decision had no connection with the French compa ny's announcement.

Mr Haugen said Pepsi-Cola had been considering an offer for Perrier's soft drinks activities, but "at the price they are suggesting, it is a very distant possibility." Perrier's main soft drinks sting, it is a very distant

brands include Pschitt, Bali and Gasis among others, representing annual sales of FFr1.15bn, or 10 per cent of the group's total turnover last year. The Pepsi-Cola franchise accounts for 2 per cent of the drinks division's sales and I per cent of group turnover.
Perrier's first-half net profits
before exceptional items, rose to FFr291m from FFr186m in 1988, on sales of FFr6.5bn, up from FFr6.7bn, the group announced earlier.

# Victoire close to purchasing

**Dutch** insurer

By George Graham

GROUPE VICTOIRE, the French insurance group recently taken over by Suez, is in advanced discussions on the purchase of Nieuw Rotterdam, the fifth largest Dutch insurer. The acquisition would give Victoire a further foothold in northern Europe, following its acquisition earlier this year of

the Colonia/Nordstern group, West Germany's second largest Victoire said that it could

give no details until the acquisition had received the approval of the Dutch finance ministry.

Nieuw Rotterdam, which had Nieuw Rotterdam, which had premium income of F1 534m (\$257m) in accident insurance and F1 34m in life insurance, is 30 per cent owned by Groupe des Assurances Nationales (GAN), the third largest of the French state-owned insurance communicative which last visite insurance communications. companies, which last night refused to comment.

**NEW ISSUE** 





# Keihin Electric Express Railway Co., Ltd.

U.S.\$150,000,000

3 % per cent. Notes 1993

Warrants

to subscribe for shares of common stock of Kelhin Electric Express Railway Co., Ltd.

Issue Price 100 per cent.

Yamaichi International (Europe) Limited

Fuji International Finance Limited

Bank of Yokohama (Europe) S.A. Credit Suisse First Boston Limited IBJ International Limited Merrill Lynch International Limited Mitsubishi Trust International Limited The Nikko Securities Co., (Europe) Ltd. Paribas Capital Markets Group Sumitomo Trust International Limited Baring Brothers & Co., Limited Kleinwort Benson Limited Samuel Montagu & Co. Limited

New Japan Securities Europe Limited

Société Générale

Commerzbank Aktiengesellschaft Daiwa Europe Limited Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) Mitsubishi Finance International plc Mitsui Trust International Limited Nomura International Salomon Brothers International Limited Yasuda Trust Europe Limited Daito Securities Co., Ltd. Leu Securities Limited Morgan Stanley International Nippon Kangyo Kakumaru (Europe) Limited

Taiheiyo Europe Limited

Westdeutsche Landesbank Girozentrale



# Nippon Meat Packers, Inc.

U.S. \$200,000,000

3% per cent. Notes 1993

Warrants to subscribe for shares of common stock of Nippon Meat Packers, Inc.

Issue Price 100 per cent.

Yamaichi international (Europe) Limited

J. Henry Schroder Wagg & Co. Limited The Nikko Securities Co., (Europe) Ltd.

Credit Suisse First Boston Limited ANZ McCaughan Merchant Bank Limited Chase Investment Bank Cosmo Securities (Europe) Limited Robert Fleming & Co. Limited Merrill Lynch International Limited Mitsui Finance International Limited Norinchukin International Limited Salomon Brothers International Limited Shearson Lehman Hutton International

S.G. Warburg Securities

Morgan Stanley International New Japan Securities Europe Limited

Société Générale Baring Brothers & Co., Limited Chuo Europe Limited Dresdner Bank Aktiengesellschaft Kleinwort Benson Limited Mitsubishi Finance International plc Morgan Grenfell & Co. Limited Paribas Capital Markets Group Sanwa International Limited Taiheiyo Europe Limited Tokai International Limited

Takugin Finance International Limited

# British Gas announces changes to its firm and interruptible price Schedule.

The contract price Schedule published on the 21st March 1989 is being re-published to incorporate the following changes: • extensions to the Schedule to accommodate more premises and volume bands • the introduction of seasonally-related prices for firm gas • the elimination of anomalies at the interfaces between the pricing bands which appeared to encourage unnecessary use of gas • the option for an interruptible customer to aggregate gas consumed at a number of premises • the standardisation of the minimum period of interruption in interruptible gas contracts • the suspension of minimum periods of interruption for the time being or reduction of the minimum qualifying consumption level for interruptible gas contracts. Customers can choose to retain their existing contracts linked to the earlier Schedule CSP1 until their expiry or opt with effect from 1st December 1989 for contracts on the new Schedule.

### **BRITISH GAS plc** CONTRACT GAS PRICING SCHEDULE

30.5

Purstant to Condition 5 of its Authorisation, British Gas will enter into Special Agreements (comments) with customers for the supply of gas through pipes to premises which they own or occupy each premises consuming in excess of 25,000 therms per annum in the case of firm supplies of gas or 200,000 therms per annum in the case of interruptible supplies of gas, on the prices and terms shown in this Schedule subject to the conditions of contract. The prices and terms shown do not apply to Long Term Interruptible Gas contracts, supplies contracted under Schedule CSP1, back-up gas or to the other forms of supply identified in Condition 5 of British Gas' Authorisation.

Authorisation:

The prices shown in this Schedule (FI 2) are for gas supplied under standard contracts entered into on or after 1 December for firm or interruptible gas to specific classes of customer, and this Schedule replaces the Contract Gas Pricing Schedule Ref: CSP 1. Under the contracts a customer will nominate the annual consumption for the selected type of supply which will determine the Scheduled Reference Price, comprising a Monthly Charge and a price per therm, for a standard contract. Contracts will contain classes giving effect to maximum consumption levels and allowing the charges for gas actually consumed to be reconciled against the nominated annual consumption. Reconciliation will normally take place at the anniversary date(s) of the contract(s). (See note 2).

The Scheduled Reference Prices and other terms shown in this Schedule (FI 2) will be modified at the discretion of British Gas. Publication of method pales and other terms within 28 days of the previously multished achedule without the consent of the

of revised prices and other terms may not take place within 28 days of the previously published schedule without the consent of the

Director General Office of Gas Supply

The Scheduled Reference Prices for from and interruptible contracts are shown at (1) under "1: Firm Gas and 2: Interruptible Gas" below respectively Costomers may choose alternatives to the standard contract terms by selecting optional terms (i.e. differing length of contract or methods of contract price movement during the contract). The optional terms available and the price variations in respect of these are

ing eas under terms of contract in accordance with Contract Gas Pricing Schedule Ref. CSP 1 (effective from 1 May 1989, as modified by Note 11) may either continue on those terms until the expiry of their contract or they may elect to terminate the contract with effect from 1 December 1989, provided that by 2 February 1990 a supply of gas has been contracted by them under this

In the latter case and without prejudice to any future schedule changes, the reconciliation provisions of Annexe 2 of the original contract under Schedule CSP 1 will not apply to such a terminated contract. Thereafter all renewal supplies of gas will be contracted under the terms of this Schedule FI 2 or other schedules which may be published from time to time.

Copies of schedules and conditions of contract are available from the Registered and Regional Head Offices of British Ges.

1. Firm Gas (i) Standard Terms of a Firm Gas Contract Gas supplies under a courract of 1 year duration to single or multiple premises of the customer. Scheduled Reference Prices will comprise a Monthly Charge (\$) and a price per therm (p/theress). The twelve monthly charges and the prices per therm will move in line with the Schedule as published from time to time. If necessary, at the commencement of each contract quarter, the contract prices will be adjusted to the appropriate monthly charges and prices per therm given in the published Schedule operating at that date.

The Scheduled Reference Prices for the nominated annual consumption levels under standard firm gas contracts are given in Table 1.

	Table 1		-		Arm G	ias – Sch	eduled Re	ference P	rice ·	•				
-	Volume Baild	-a	- 3	<b>A</b>		5	. 5.	. 7.	8 7	9 =	10	- 13	12	
	Nominated consumption therms/solution	25,001 so :::\$0,000	50,001 to 100,000		*150;00]**. to 250,000		* 500,007 : 1 to 1,000,000	1,000,004° to		5,000,001 to 10,000,000	10,000,001 to 25,000,000	25,000,001 to 50,000,000	Greater than 50,000,000	
	Mornishy charge (5)	31	42	188	313	417	833	2,083	4,167	12,500	20,883	31,250	41,667	
	Number of premises						Price	er thenu (p'	1	•				
		33.00	32.75	31.00	30.00	29.50	28.50	27.50	25.75	23.75	22.75	22,25	22.00	
	2	- 1	33.05	31.40	30.50	30.00	29.00	27,50	26.25	24.25	23.25	22.25	22.00	
	3	-	33.15	31.60	31.00	30.50	29.50	28.00	26.75	24.75	23.75	22.75	22.00	
	4-5	1 -	l -	31.70	31.30	31.00	30.00	28.50	27.25	25.25	24.25	23.25	22.50	
	6-10		t –	! -	3 L.50	31.40	30.50	29.00	27.75	25.75	24.75	23.75	23.00	
	11-20	l -	( -		l –	51.70 ·	31.00	29.50	28.25	26.25	25.25	24.25	23.50	
	21-50	l –	J	-	I -		31.30	30.00	28.75	26.75	25.75	24.75	24.00	
	51-100	l –	l -	! -	l -	- "	1 -	30.40	29.25	27.25	26.25	25.25	24.50	
	101-500	-	-	- 1	l -	-	-	l -	29.75	27.75	26.75	25.75	25.00	

shown by application of the seasonal pricing factors contained in Table 2.

Conservation Production Programs 5

ladic 2			Sensomm rraing	rucions ·		•
	_ :	<u> </u>	. <del></del>		 	
		Month			 Pactor	
December, Jamsary,	February and March	•			1.0	
April, May October					0.95	
Junc, July, August an	d September	<u>:</u> ::			 0.85	

(ii) Optional Terms at Customer Choice for a Firm Gas Contract:

The options available and the price variations to the Scheduled Reference Price are given below: (a) Extend contract to 2 years. No extra charge. (b) Price fixed for contract period: 1 year contract + 3% 2 year contract + 7% (c) Price indexed for 1 year or 2 years: No extra charge Indices 50% PPI: 50% Gas Oil (See Note 4).

Gas supplies under a contract of 1 year duration to single or multiple premises of the customer, each premises consuming in excess of 200,000 therms per annum. Scheduled Reference Prices will comprise a Monthly Charge (£) and a price per therm (p/therm). There are three forms of standard interruptible contract from which the customer may choose. These are differentiated by their potential periods of interruption within a contract year. The periods of interruption, which will occur at British Gas' discretion and may or may not be continuous, are: (1) Short Period: interruption for a minimum period of 7 days and up to a maximum of 35 days. (2) Medium Period: interruption for a minimum period of 7 days and up to a maximum of 63 days. (3) Long Period: interruption for a minimum period of 7 days and up to a maximum of 60 days.

period of 7 days and up to a maximum of 90 days. The minimum periods of interruption under each form of interruptible contract under this Schedule shall be suspended in accordance

For each type of interruptible contract, the twelve monthly charges and the prices per therm will move in line with the Schedule as published from time to time. If necessary, at the commencement of each contract month, the contract prices will be adjusted to the appropriate monthly charges and prices per therm given in the published schedule operating at that date.

The Scheduled Reference Price for the nominated annual consumption level under the respective standard interruptible contract is given

Short Period Interruptible - Scheduled Reference Price

Volume Rand	1	2	3	4	5	<u> </u>	7	8		
Nominated consumption therms/annom	200,001 to 500,000	500,001 to 1,000,000	1,000,001 to 2,000,000	2,000,001 to 5,000,000	5,000,001 to 10,000,000	10,000,001 to 25,000,000	25,000,001 to 50,000,000	Greater (thus 50,000,000		
Hondaly charge (5)	417	1,042	2,500	4,167	12,500	16.667	31,250	33,333		
Number of premiers		Price per therm (p)								
1 2 3 4-5 6-19 11-20 21-50 51-100	28.00 28.60	26.50 27.10 27.70 28.30	24.75 25.35 25.95 26.55 27.15	23.75 24.35 24.95 25.55 26.15 26.75 27.35	21.75 22.35 22.95 23.55 24.15 24.75 25.35	21.25 21.85 22.45 23.05 23.65 24.25 24.85 25.45	20.60 21.20 21.20 22.40 23.00 23.60 24.20 24.20	20.50 21.10 21.70 22.30 22.50 23.50 24.10 24.70		
101-500 501-1000	=	- - -	=	-	= .	26.05	25.40	25.30 26.05		

Table 4	••	•	Medium	Period Interruptible	- Scheduled Reference Pric

Volume Band	1	2	3	4	5	6	7	8		
Nominated	200,001	500,001	100,000,1	2,000,001	5,000,001	10,000,001	25,000,001	Greater		
consumption	[_ 80 .	40	100	10	i to	10	. 100	than		
demi/anam	500,000	1,000,000	2,000,000	5,000,000	10,000,000	25,000,000	50,800,000	50,000,000		
Monthly charge (5)	521	1,250	2,500	4,167	12,500	16,667	31,250	33,333		
Number of premises		Price per therm (p)								
2	26.00	24.25	22.75	21.75	19.75	19.20	18.25	18.00		
· 2	26.75	25.00	25.50	22.50	20.50	1995	19.00	18.75		
3	-	25.75	24.25	23.25	21.25	20.70	19.75	19.50		
45		16.50	25.00	24.00	22.00	21.45	20.50	20.25		
6-10			25.75	24.75	22.75	22.20	21.25	21.00		
1 (-20	-	l -		25.50	23.50	22.95	22.00	21.75		
21-50	-	1 -	-	26.25	24.25	23.70	22.75	22.50		
51-100	_	1 -	i -	1 -	-	24.45	23.50	23.25		
101-500	-	<b>\</b> -	\ -	i -	} -	25.20	24.25	24.00		
501-1000	_	1 -	-	l –	1 -	- '	-	25.00		
1001-2000	_	1 -	-	i -	[ -	i - ·	i -	26.20		

Volume Band	1	2	3	4	5	6	7	ч	
Nominated	200,001	500,061	1,000,001	2,000,001	5,000,001	100,000,001	25,000,001	Greater	
consumption	to	to to	<b>6</b> 0	- to	to	lo	to	than	
therms/annum	500,000	1,000,000	2,000,000	5,000,000	10,000,000	25,000,000	50,000,000	50,000,000	
Monthly charge (5)	. 855	1,667	3.355	5,000	7,500	8_533	10,417	10,417	
Number of premises				Price per	therm (p)				
1	22.00	20.00	18.00	17.00	16.40	16.30	16 20	16.20	
2	23.00	21.00	1900	18.00	17.40	17.30	17.20	17.20	
3	-	22.00	20.00	19.00	18.40	18,30	18.20	18.20	
. 45	-	23.00	21.00	20.00	19.40	19.30	19 20	19.30	
6-10	-	1 -	22.00	21.00	20 40	20.30	20.20	29.20	
11-20	-	ļ -	-	22.00	21 +0	21.50	21.20	21.20	
21-50	_	-	l -	23.00	22-10	22.50	2 <u>2.2</u> 0	22 20	
51-100	-	-	I -	I -	<b>i</b> -	24.40	23.20	2,5.20	
101-500	-			l -	l -	24.30	24.20	24.20	
501-1000	-		-	! -	I -	l -		25.20	
1001-2000	-	ļ <u>-</u>	l -	<b>}</b> -	l -	-	-	26 40	
ii) Optional Terms at he options available a		ariations to the	Scheduled Re					. 26 +0	
Options		Sho	rt Period		Medium Period		Lung Pari	od	
stand Contract to wars duration		No.	tra charge		No extra charge		No cutta ch		
						····		en lôg	
J. C. 46					+ 4% +15%		+ 5%		
		+7%					+18.4		
: 2 years									
rice fised for: 1 year : 2 years index-United Contract indices (Sec Note 4)		Noex	+7% Kra charge : 50% Gas Off		No extra charge 74 Gas Oil: 50% HP		No extra ch 100% HF		

1. Conditions of Contract

The notes given in this Schedule summarise elements of the conditions of contract and the way in which they will be applied. They are not exhaustive and cannot take precedence over, or modify, any of the terms and conditions of the contract entered into by any individual customer.

Charges for gas will be based on the actual annual consumption. In the event that the actual consumption would have placed the customer in a different volume band from that of his nominated consumption, including taking account of any variation in the number of premises in a multiple premises agreement, then a reconciliation exercise will be undertaken to adjust retrospectively charges for gas consumed in any contract year. Reconciliation will be made at the anniversary date of the contract or the termination of the contract, whichever is earlier. In the event of reconciliation the actual annual consumption will generally be taken as the nominated consumption for an ongoing or renewal contract.

If under an interruptible contract the supply has been interrupted at the direction of British Gas then an allowance will be calculated for the days interrupted in ascertaining the annual consumption for the purpose of reconciliation.

(a) A contract will be available for firm supply of gas to be consumed at more than one premises owned or occupied by the customer or its Subsidiary and/or Affiliated companies provided each premises consumes more than 25,000 therms per annum. (b) A contract will be available for an interruptible supply of gas to be consumed at more than one premises owned or occupied by the customer or its Subsidiary and/or Affiliated companies provided each premises consumes more than 200,000 therms per annum save that on an interim basis a multiple premises contract will be available in respect of related supplies historically treated as

(c) British Gas intends to introduce an umbrella contract for the further aggregation of firm and interruptible gas supply contracts for gas consumed at premises owned and occupied by the customer or its Subsidiary and/or Affiliated companies provided each premises, in the case of firm gas supplies, consumes more than 25,000 therms per annum and, in the case of interruptible gas supplies, consumes more than 200,000 therms per annum. The umbrelia contract will provide for a price reduction based on the aggregated consumption of gas. Details of this arrangement will be published before 1 December 1989, and the effective start date for calculation of the aggregated consumption of gas will be 1 December 1989 in all cases.

(d) For the purposes of notes 3(a), (b) and (c) above, Subsidiary companies are as defined under section 736 of the Companies Act 1985, and Affiliated companies are as defined in the contract by reference to the common control of the customer and affiliate, taking the definitions of control set out in Section 302(2) (b) and (c) of the Income and Corporation Taxes Act 1970.

4. Index-Linked Contracts

The Reference for indices will be:

PPI: HM Central Statistical Office Digest Gas Oil/Heavy Fuel Oil: Platt's Oilgram

British Gas will, on a monthly basis for interruptible contracts and three monthly for firm contracts, notify customers with index-linked contracts of the variations in the value of these indices.

Index-linked interruptible contracts containing wholly oil denominated indices will contain top and bottom stop prices. The top stop will be 5 per cent. above the price in volume band 1, and the bottom stop will be 5 per cent, below the price in volume band 8 as shown in tables 4 and 5, medium period and long period interruptible gas supplies respectively.

Contracts will be entered into for future supplies of gas provided gas consumption commences within the period of the contract. The supply period starts on the date that the contract is signed and the price ruling at the time gas is consumed will be calculated in accordance with the method of price determination chosen by the customer when entering into the contract.

The prices in this Schedule are exclusive of Value Added Tax, or any other tax, duty or impost.

Customers may not enter into a contract for the supply of gas, whether firm or interruptible, under this Schedule in substitution of a supply of gas already contracted with British Gas whether under this Schedule or any preceding Schedule unless agreed by both parties to the contract.

8. Customer's Financial Status

Before entering into a contract with potential customers, British Gas may require such customers to evidence that they have the financial capability to meet their prospective contractual obligations, failing which or a suitable guarantee of their obligations, British Gas may refuse a supply of gas under this Schedule.

The pressures at which British Gas supplies gas vary at different parts of the gas supply system. British Gas will supply gas to a customer at a pressure above the statutory minimum level if this is available at the point of supply British Gas will use reasonable endeavours to maintain any such elevated pressure. If British Gas expects the supply pressure to reduce to a lower level permanently then not less than 24 months written notice will be given.

10. Interruption

Without prejudice to the rights of British Gas to interrupt supplies of gas provided in accordance with "2: Interruptible Gas" the requirement for a minimum period of interruption shall be deemed to have been suspended unless and until at least three months have expired from the giving by British Gas of notice under the contract with the customer of its intention to implement such minimum period of interruption.

Amendments to Schedule CSP 1

The Contract Gas Pricing Schedule CSP I shall cease to have effect from 1 December 1989 save in relation to contracts entered into pursuant to its terms prior to that date and its said continuing effect shall be subject to the following modifications: (a) The seasonal pricing factors for firm gas contained in Table 2 of this Schedule FI 2 will be applied to the Scheduled Reference Prices from Schedule CSP 1 as modified by any options already chosen by customers already on contracts under that Schedule, and (b) The terms of suspension of minimum periods of interruption contained in Note 10 above will apply to any interruptible contract entered into by a customer under Schedule CSP 1.

BRITISH GAS PLC. REGISTERED OFFICE, RIVERMILL HOUSE, 152 GROSVENOR BOAD, LONDON SW 1V 3 JL, REGISTERED IN ENGLAND: No. 2006000.

**British Gas** 



### THE SOUTH AFRICAN BREWERIES LIMITED

(Incorporated in the Republic of South Africa) Reg. No. 69/16025/06

# ABRIDGED INTERIM REPORT

for the six months ended 30 September 1989

Turnover

23% increase: Beer volume growth, 13% **Profit after taxation** Up 32% to exceed R250 million Earnings per share Improvement of 29% to 66,1 cents Dividend per share

The constraints on the country's Balance of Payments, with consequential restrictive fiscal and monetary measures, will continue to inhibit consumer demand severely for some time to come. Nevertheless, a satisfactory rate of real growth in earnings should be achieved for the year, although certainly not at the rate achieved for the half-year.

Interim increased by 25% to 25 cents

**Prospects** 

### INTERIM DIVIDEND

The Directors have declared an interim dividend on the ordinary shares of 25,0 cents per share (last year's interim dividend 20,0 cents per share) on account of the year ending 31 March 1990 payable on or about 29 December 1989 to Shareholders registered on 24 November 1989. The dividend is declared in the currency of the Republic of South Africa and payments from the office of the London transfer secretaries (Barclays Registrars Ltd, 6 Greencoat Place,

Kingdom currency calculated by reference to the rate of exchange ruling on 13 December 1989 or at a rate not materially different

South African Non-Resident Shareholders' Tax at the rate of 14,03% and United Kingdom tax will be deducted from the dividends where applicable.

The relevant Transfer Books and Registers will be closed from 25 November to 3 December 1989, both dates inclusive.

London SW1P 1PL) will be made in United 2 Jan Smuts Avenue Johannesburg 2001 Republic of South Africa

Copies of the Interim Report will be posted to registered Shareholders and can be obtained from the London Seci Barneto Bros Limited, 99 Bishopsgate London EC2M 3XE

November, 1989

# BENETTON FINANCE N.V.

(Guaranteed by Benetton Group S.p.A.)

U.S.\$200,000,000

**Eurocommercial Paper Programme** 

Arranger

Swiss Bank Corporation

Dealers

J.P. Morgan Securities Ltd. Shearson Lehman Hutton International, Inc. **Swiss Bank Corporation** 

Issue and Paying Agent

Morgan Guaranty Trust Company of New York



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Securities designated SE2 and tuberlare dealt in subject to the rules and regulations of the ISE. Other securities listed above are dealt in subject to the rules of TSA. These securities are dealt in strictly on a matched bargain basis. Reither Grannifie & Co. Limited nor Grannifie Davies Limited are market makers in these securities.

" These securities are dealt on a restricted basis. Further details analiable

Granville & Co. Limited 77 Mansell Street, London E1 8AF Telephone 01-488 1212 G

Granville Davies Limited Telephone 01-488 1212 Member of The ISE & TSA



### WORLD PULP AND **PAPER**

The Financial Times proposes to publish a Survey on the above on

12 DECEMBER 1989

For a full editorial synopsis and advertisement details, please contact:

> ALISON BARNARD

on 01-873 4148 or write to her at:

Number One, Southwark Bridge London SE1 9HL.

FINANCIALTIMES

# INTERNATIONAL COMPANIES AND FINANCE

# **National** Australia Bank profit **soars** 47%

By Chris Sherwell in Sydney

NATIONAL AUSTRALIA Bank, one of Australia's Big Four commercial banks, yesterday reported a sharp 47 per cent increase in annual profit, thanks to a buoyant domestic economy, a strong contribu-tion from its UK and Irish banks and a lower tax rate.

Figures for the year to Sep-tember showed a record after-tax profit of A\$782.7m (US\$614.6m), against A\$531.4m the previous year. Although this was much in line with expectations, all bank profit forecasts have recently been revised downwards because of the rising level of interest

rates.
Yesterday's results were the first for the private-sector commercial banks for the 1988-89 year. Westpac is due to report next week, and the ANZ Bank a week later. The fourth big bank, the Commonwealth, is owned by the federal Government.

For National Australia Bank, the latest year has seen group assets rise 19.2 per cent to A\$75.9bn, operating revenues jump 25 per cent to A\$9.3bn, and earnings per characters to \$7.2 Australiance to \$7.2 Australiance to \$7.2 Australiance to \$7.2 Australiance. share increase to 97.8 Austra-lian cents from 84.2 cents.

Return on average shareholders funds improved to 16.3 per cent from 15.2 per cent.

The directors declared a final dividend of 35 cents (25 cents cash plus 10 cents scrip) to make 60 cents a share for the year, up 10 cents, of which half is fully franked. They added they were "confident of maintaining a satisfactory per-formance in 1989-90," despite increasingly difficult economic conditions.

The lowering of the corporate tax rate from 49 per cent to 39 per cent helped the bank to the tune of A\$114m, but rising interest rates narrowed margins, especially for home lending, and inflicted pain on corporate borrowers, particu-larly small businesses.

larly small businesses.

The bank's provisions for bad and doubtful debts were hasses. Sm., down from A\$351m, but after allowing for last year's clear-out of Third World debt, the charge was actually A\$53m higher.
A divisional breakdown of

the profit figure indicated that A\$529.6m, or two thirds of the total, came from domestic trading bank operations, com-pared with A\$309m last year. banks in the UK and the National Irish Bank contributed another A\$125.2m, up 46 per cent from A\$85.8m.

By contrast, the savings bank operations, responsible for home lending, showed a sharp decline, to A\$20.3m from A\$56.1m. The finance and insurance companies also weakened, to A\$44.4m from A\$46.9m, but the merchant banking division contributed A\$11.9m against A\$9.1m last year. New Zealand and South Pacific divisions also improved.

### Wang to axe **2,000** jobs by year-end

WANG Laboratories, the troubled US mini-computer maker, is to eliminate about maker, is to eliminate about 2,000 jobs companywide by the year-end, causing a charge of about \$30m against earnings for the second quarter ending December 31, Reuter reports from Lowell, Massachusetts.

from Lowell, Massachusetts.

The company, which last month reported a first-quarter loss of \$62.1m or 38 cents a share, compared with a \$16.2m profit or 10 cents a share, for the same period last year, said the elimination of jobs will come from a new programme to dismantle its bureaucracy and streamline operations to provide better castomer service and improve efficiency.

Wang decided on the action after an intensive two-month

after an intensive two-month study of its organisation and business performance. Mr Richard Miller was recently named president and chief

The company said it will make major efforts to change the way it does business in three areas: the order/build/ ship/billcycle, the product development process, and service billing and technical sup-port. The changes are expected to be in effect by January 1, it

operating officer at Wang.

Wang said a recent survey found that its customers find it a difficult company with which to do business and that its bureaucracy sometimes prevents Wang from providing its customers with quality service and support.

The company said it will seek to delegate greater authority and responsibility to those directly designing, building, selling and servicing products, and have individuals accountable for results, allow its customers to shape Wang's priorities, shorten the time. priorities, shorten the time needed to design and deliver quality products, and instil quality in all of Wang's work.

# Bambi video hoists Disney income

By Anatole Kaletsky in New York

WALT DISNEY, the big US entertainment group which recently launched a spectacularly successful stock issue in Europe for its EuroDisneyland theme park, yesterday announced a big jump in profits for the letest quarter and its for its latest quarter and fiscal year.

Disney's shares, already among the year's best perform-ers on Wall Street, rose a further \$1% to \$124% in response to the bigger than expected earnings advance.

Disney made net profits of \$212.7m or \$1.54 a share in the September quarter, the last of its 1989 fiscal year. This result was 55 per cent up on the \$136.4m or 99 cents reported a year earlier. In fiscal 1989 as a whole, Disney earned \$703.3m or \$5.10 a share, an increase of

35 per cent compared with the 1988 profit of \$522.0m or \$3.80. Disney's revenues rose by 33 per cent in the latest quarter to \$1.35bn. For the year as a whole, they were up by 34 per cent at \$4.59bn.

Disney's chairman, Mr Mich-

ael Eisner, said that the strong growth reflected excellent per-formance in each of the company's three business segments theme parks and resorts, filmed entertainment, and consumer products.

Theme park and resort revenues rose by 25 per cent in the latest quarter to \$775.8m and operating income increased by 44 per cent to \$240.9m. In the year as a whole, revenues rose by 27 per cent to \$2.59bn, while profits increased by 39 per cent to \$785.5m.

A major reason for the outstanding results was the open-ing of the new Disney-MGM Studios Theme Park in Florida in May. But total attendance hit records at all the main theme parks and further benefits came from higher per capita spending by theme park and resort guests.

The latest quarter's filmed entertainment revenues soured by 49 per cent to \$462.2m, while operating income nearly tripled to \$85.9m. Annual revenues from this business were 38 per cent up at \$1.59bn, while operating profits

were 38 per cent higher at \$256.5m. Among the main positive factors were record-breaking video sales of Bambi and suc-cessful theatre releases of

Honey, I Shrunk the Kids, Dead Poets Society, and Turber and Hootch. in the year as a whole, major benefits came from the international distribution of Who Framed Roger Rabbit and strong video sales

of Cinderella. The consumer products segment increased quarterly revenues by 27 per cent to \$107.2m. while operating profits grew 35 per cent to \$16.3m. In the year as a whole, consumer products revenues increased by 67 per cent to \$411.3m, while operating profits expanded 40 per cent to \$187.1m.

The growth in consumer products was due mainly to increased domestic and foreign licensing activity, and a successful entry into direct publishing in Europe.

**PacifiCorp** 

# Investment firm makes offer for Allegheny Int'l business

By James Buchan in New York

ALLEGHENY International, the Pittsburgh home appliance maker which has been lan-guishing in bankruptcy court for a year and a half, yesterday received a \$683.8m offer for its business from a New York investment firm.

The offer, unveiled yesterday by Japonica Partners, is the latest in a string of bids and proposals designed to satisfy Allegheny's creditors and lead the company out of bank-

ruptcy.
The previous proposals, including eight generated by Allegheny itself, have found-ered on disagreement between the different creditor groups.

By Robert Gibbens in Montreal

DENISON MINES, the uranium

mining group founded by Mr Stephen Roman, has realised more than C\$100m (US\$85.5m)

from selling part of its oil and

from selling part of its oil and gas business and is actively negotiating the sale of the rest. Unidentified buyers will pay C\$100m plus for Denison's Canadian and Spanish properties, and the assets in Greece, Italy and Egypt are likely to be sold soon.

Allegheny owns such well-known kitchen appliance businesses as Sunbeam and Oster and it operates a thriving barbecue and outdoor furniture business. But it was forced into bankruptcy in Feb-ruary 1988 by \$718m in debts and since then it has racked up

The new offer is being presented by Japonica Partners, a partnership formed last year by two former investment bankers at Goldman Sachs, Mr Paul Kazarian and Mr Michael Lederman. The partnership, which first announced its interest in Allegheny in July, complained yesterday that it

mining, potash and coal. Mr Roman died in 1988. In the first nine months,

Denison earned C\$5.3m, up

from C\$3.5m a year earlier, on revenues of C\$274m against

C\$317m. There were no earn-

ings applicable to the common shares in both periods. The company sold off its financial

services investment in 1988.

• Spar Aerospace, the communications and defence prod-

Denison sales fetch C\$100m

further losses.

was repeatedly obstructed by senior management in attempting to determine a value for the company.

The Japonica plan is similar to the most recent proposal from the company in offering to satisfy senior and secured creditors in full. But Japonica is hoping that its offer has a better chance of success because it provides more cash than the company plan for unsecured creditors and stock-

Japonica also said it might increase its offer beyond \$700m after it has assessed certain information, which it did not

a profit of C\$5.2m or 47 cents a

share a year earlier. Revenues were down 6 per cent to

Norcen Energy Resources, the main energy affiliate of the Bracan group, has reported a 70 per cent gain in third quarter profits to C\$25m or \$9 cants a share on a 15 per cent revenue arin to \$158m.

# bids \$1.7bn for rival

By Roderick Oram in New York

PACIFICORP, an electric utility serving seven western states, offered yesterday \$1.7hn

states, offered yesterday \$1.7hn for the common stock of Arizona Pubic Service, a wholly owned utility subsidiary of Pinnacle West Capital.

Pinnacle West is struggling with heavy losses at its Mera-Bank subsidiary brought on by the troubled real estate market in the southwestern US, particularly in Arizona and Texas.

Mera-Bank recently reported a third-quarter loss of \$85.7m, including a \$42m addition to including a \$42m addition to loan loss reserves.

Arizona Public Service, in

contrast, turned in net profits of \$86.3m, on revenues of \$458m against \$117.2m on \$269m a year earlier. Overall, Pinnacle West's net for the quarter plunged to \$5.1m from \$55.9m.

"The cash available from this transaction should provide Pinnacle West financial resources to strengthen its other businesses," Mr A.M. Gleason, PacifiCorp's president said.

PacifiCorp, which is listed on the New York and London stock exchanges, promised to keep Arizona Public Service's electricity rate increases to 2 per cent a year and to keep the unit locally controlled if it won

### Denison is now concentrating on uranium, industrial ucts group, posted a nine months loss of C\$7.6m against **Building society merger** boosts Nedcor's results

By Jim Jones in Johannesburg

NEDCOR, South Africa's third largest banking group, for-merly called Nedbank, lifted merly called Nedbank, lifted net income by 85 per cent in the year to September 30 1989, principally because of its merger with the Permanent Building Society.

Operating income before tax and bad debt provisions increased to R506.7m from R304 0m and the year's metax

R304.0m and the year's pre-tax profit rose to R407.3m from R250.2m.

Total assets were R28.5hn at the end of the financial year against R16.8hn a year earlier and total advances were and total advances were R19.9bn against R11.0bn. Mr Piet Liebenberg, the chief executive officer, says the pro-vision for bad debts has been increased and that special reserves have been set aside for expenditure on information technology. The increase in the

line with provisions made by Nedcor's competitors.

Austerity measures designed to curb consumer spending and imports have depressed retail sales while household budgets have been squeezed by sharply higher interest rates. As a result bad debts are increasing, particularly among farmers.
Mr Liebenberg says Nedcor's
capital shows a comfortable

surplus over that required by the Banks Act, implying that Nedcor will not need to raise additional capital from share-holders to meet the Banks Act's progressively stringent capital:liabilities ratios. However, Nedcor, in line with other banks, has increased its divi-dend cover, raising retentions and bolstering reserves.

Earnings rose to 188.5 cents a share from 111.3 cents and the year's dividend has been lifted to 46 cents from 40 cents.

In the last financial year,

turnover totalled R230m, the year's trading profit was R25.4m and the pre-tax profit

Apart from matches, Lion

manufactures and distributes non-durable consumer goods,

simple electrical household

appliances and packaging.

The first haif's earnings

were 16.7 cents a share against 14.7 cents in 1988's first half

and the interim dividend has

been increased to 6.5 cents

from 5.5 cents. The last finan-cial year's full earnings were 27.0 cents and the year's divi-

Lion is a subsidiary of South

was R20.3m.

dend 11 cents.

# Austerity measures curb Lion Match sales growth

By Jim Jones

RESTRICTIVE measures intended to moderate con-sumer demand curbed sales growth by Lion Match, the for-mer South African affiliate of Wilkinson Sword, in the six months to end-September. But though the pace of the econ-omy is likely to be retarded further, the directors believe the second half's earnings should grow at the same pace as the first half's. First-half turnover increased

to R136m (\$51.7m) from R118m in the corresponding period of 1988, the interim trading profit before interest and tax rose to

R18.1m from R14m and the interim pre-tax profit was R13.6m against R11.8m. Amrel slips in first half

squeeze and rising interest rates led to reduced profits for Amrel, the furniture and footwear retail chain, in the six months to end-September, writes Jim Jones in Johannesburg.
Mr Meyer Kahn, the chairman, says though turnover grew, the rate of growth was deliberately curbed as hire pur-

SOUTH AFRICA'S credit

He expects consumer spending to deteriorate over the next few months. First-half turnover advanced to R390m from R356m a year earlier and the interim pre-tax

chase controls were tightened.

profit rose to R12.3m from Riasm. Against this, turnover totalled R760m in the last financial year and the pre-tax profit was R87.

A loss-making clothing chain has been sold and the company plans to make greater use of external finance and improve debt collections. First-half earnings dropped

to 81 cents a share from 88 cents and the interim dividend has been cut to 27 cents from 29 cents. Last year's full earnings were 241 cents and the year's dividend was 81 cents. Annel is a subsidiary of South nue gain to \$188m.
In the past nine months, profit went up to 28 per cent to \$83.4m or \$1.32 a share on revenues of \$601m, up 14 per cent.

ALLIANCE - LEICESTER **Alliance & Leicester Building Society** 

\$50,000,000 Subordinated Variable Rate Notes 1938

In accordance with the Terms and Conditions of the Notes, notice is hereby given that the Rate of Interest for the sixth Interest Period from 8th November, 1989 to 8th February, 1990 has been fixed at 15.375% per annum.

Interest payable on 8th February, 1990 will amount to £387.53 per £10,000 principal amount.

Merrill Lynch International Bank Limited Agent Bank



BANGKOK METROPOLITAN BANK Negotiable Floating Rate
US Dollar Cartificates of Deposit
Due 20 June, 1991

In accordance with the provisions of the certificates, notice is hereby given that with effect from 2 November 1989, ISTITUTO BANCARIO SAN PAOLO DI TORINO, Singapore Branch has been appointed the Agent in place of IRVING TRUST COMPANY,

Agent Bank: SANDAOLO BANK ETITUTO BANCARIO SAN PAOLO DI TORINO

# TOTAL GROUP 7

TOTAL COMPAGNIE FRANÇAISE DES PETROLES

Mr. Serge TCHURUK appointed Director of

TOTAL COMPAGNIE FRANCAISE DES PETROLES. At its meeting on 8 November 1989, at the

Head office of the Company, the Ordinary General Meeting of shareholders adopted the resolution, appointing Mr. Serge TCHURUK, Director of TOTAL COMPAGNIE FRANCAISE DES PETROLES.

5, rue Michel-Ange, 75781 PARIS, CEDEX 18



### INTERNATIONAL COMPANIES AND FINANCE

# Financial operations add boost to Kubota

By Stefan Wagstyl

KUBOTA, the top Japanese maker of farm machinery, yes-terday reported a 7.8 per cent increase in unconsolidated interim pre-tax profits to Y17.8bn (\$124m) due mainly to an improvement in profits from financial operations.

The increase in operating profits in the six months to the end of September was just 0.3 per cent to Y15.5hn due an increase in labour costs. Sales in the main motorised equipment division, which

includes farm machinery, rose by 9.4 per cent, in machinery they were up 7.1 per cent thanks to brisk sales of vending machines; and in pipes by 1.9 per cent. But sales of environmental equipment dropped 18.7 per cent due to delays in installation.

Total sales rose 5.9 per cent Kubota forecast a 4.1 per cent increase in pre-tax profits for the year as a whole to Y36bn on sales of Y655bn, a 4.5

per cent rise. It plans to pay a Y6.5 a share annual dividend, including a Y1 commemorative dividend to mark its centenary.

### Daiwa House reports 39% rise in profits By Robert Thomson

DAIWA HOUSE Industry, Japan's second largest home builder, yesterday reported a 39 per cent increase in pre-tax profit to Y28.78hm (\$201.3m) for the six months to end-September as domestic demand for larger, more luxurious homes showed strong growth.

Sales for the period rose 18.3 per cent to Y320.2bm, and while contracts for new buildings increased marginally, there was a sharp increase in con-tracts for redevelopment of

existing homes.
Full-year sales are expected to be Y660bn, up 18.3 per cent, and pre-tax profit is predicted to reach Y63bn, an increase of 43 per cent on the last financial

# Japanese pharmaceutical companies increase sales

By Robert Thomson in Tokyo

Y A M A N O U C H I in pre-tax profit to Y10bn on Pharmaceutical, the Japanese ethical drug maker, reported a of 4.9 per cent, for the period. entital drug manter, reported a
12.3 per cent increase in pretax profit to Y29.39bn (\$205.5m)
for the first six months to end
September following an
improved cost-to-sales ratio and an increase in sales.
Sales rose 10.9 per cent during the period to Y97.8hn, with

a 13.4 per cent increase in sales of cerebral, nervous system and sensory system-related drugs and a 32.2 per cent increase in sales of circulatory and respiratory system-related drugs.

Fujisawa Pharmaceutical reported a 2.9 per cent increase

By John Elliott in Hong Kong

HUTCHISON WHAMPOA, controlled by Mr Li Kashing, is selling two of its Hong Kong

trading companies, John D Hutchison Group and Hutchison-Boag Engineering, to Inchespe Pacific for approxi-

mately HK\$870m (US112.9m) with effect from January 1. Together the two companies

have an annual turnover of

This means that Hutchison is moving out of distribution and concentrating its activities

on its core sectors of container terminals, energy, property

and hotels, telecommunica-tions and retailing. This strat-egy started earlier this year with the disposal of Anderson Asia (Holdings), a quarry prod-

The company attributed the rise to strong sales of antibi-otic drugs, but predicted that pre-tax profit for the full year to end-March would fall 10.6 per cent to Y18bn, with a 1.6 per cent increase in sales to Y212bn.

The company reported that demand will be sluggish in the second half because of a planned reduction in official drug prices scheduled to be introduced next spring under a national health insurance

cheme. Eisal, another major pro-

Hutchison sells two of its units

John D Hutchison is involved in import, export and wholesale distribution of con-

sumer goods, while Hutchison-Boag Engineering imports and distributes building materials and industrial products. The

Fortress electrical retail chain,

part of Hutchison-Boag, is being retained as part of Hutchison's Watson

Hutchison's Watson group.

"This is not a reaction to the impact in Hong Kong of the June events in China," said Mr Simon Murray, Hutchison's managing director. "The approximately HK\$870m realized will be returned."

ised will be reinvested in our core businesses which involve investment of HK\$30bn-

HK\$40bn over the next four to

five years."
Inchcape first approached

# Malaysian car builder proposes debt plan

By Lim Siong Hoon in Kuala Lumpur

UMW HOLDINGS, Malaysian car assembler, is to try once more to free itself from its debt load after shareholders rejected an earlier set-tlement plan.

In the new scheme, UMW proposed raising 91m ringgit (US35m) through a rights issue of 50.4m shares, at one share for every four held or at 1.80

ringgit a share.
UMW shares were traded, before the announcement, at

4.28 ringgit each.
Three months earlier, UMW tried a more elaborate debt and equity restructuring scheme. The centrepiece of it was to convert 32.7m ringgit of a 45.4m ringgit debt into equity at 1 ringgit a share, considerably below the market worth of 3 ringgit when shareholders voted on the proposal. Out of the remaining debt,

9.4m ringgit was to be paid in cash, and the rest written off

This scheme, UMW had pointed out, would also save the group 3.5m ringgit in inter

Besides debt settlement, the cash call, UMW said, would be used to defray capital expendi-

While Toyota car sales have improved this year, UMW has had a run of losses after the introduction of the rival Proton national car four years ago. Things are looking up for the

group, however. UMW has regained, from its Japanese principal, equity control of its assembling and distributing division – the part approved by shareholders in the earlier restricturing effort. restructuring effort. UMW's core business in car

sales is being diluted also. In partnership with Toyota, it will begin producing rack and pinion steering assemblies in 1991 for Toyota builders in South-

 Singapore Telecom will be privatised and its shares listed on the Stock Exchange of Singapore, according to Mr Yeo Ning Hong, the Communica-tions and Information Minister, Reuters adds from Singapore. A government study on the

scheme will take two to three years to complete, he said.

FannieMae

\$1,300,000,000 8.20% Debentures

Dated November 10, 1989 Due November 10, 1992 nterest payable on May 10, 1990 and semiannually thereafter. Series SM-1992-N Cusip No. 313586 K 57

**Price 100%** 

NEW ISSUES November 8, 1989

### \$1,000,000,000 8.35% Debentures

Dated November 10, 1989 Due November 10, 1998 Interest payable on May 10, 1990 and semiannually thereafter Series SM-1999-E Cusip No. 313586 K 65

**Price** 99.875%

The debentures are the obligations of the Federal National Montgage Association organized and existing under the laws of the United States, and are issued under the authority contained in Section 304(b) of the Federal National Montgage Association Charlet Act (12 U S C. 1716 et sec.)

The debentures, together with any interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than Fannie Mae This offering is made by the Federal National Mortgage Association through its Senior Vice President-Finance and Treasurer with the acs Senior Vice President-Finance and Treasurer with the atwide Selling Group of recognized dealers in securities. Debentures will be available in Book-Entry form only. There will be no definitive securities offered.

Gary L Perlin

Linda K. Knight

# Yamaha hit by decline in US exports

By Stefan Wagstyl

about HK\$1.9bn.

YAMAHA, the world's largest maker of musical instruments, suffered a decline in unconsolisuitered a decline in unconsoli-dated sales and profits in the six months to September due to a fall in exports to the US. Pre-tax profits fell 14 per cent to Y9.0bn (\$62.9m) and sales fell 4.1 per cent to Y203bn. Sales of electronic key-board instruments, down 17 per cent, and electronic instruments, down 13 per cent, were

For the full year, Yamaha expects a sharp recovery in profits due to the fall in the yen, which should boost exports, and it is to introduce profitable products. Profits for the year are forecast to be 15.8 per cent higher at Y12bn, despite an expected 3 per cent decline in sales to Y385bn. Strong sales of cameras, especially autofocus models,

camera maker, in the six months to the end of Septem-

Unconsolidated pre-tax profits jumped 57.7 per cent to Y6.3hn on sales of Y78.7hn, an increase of 21.3 per cent. Sales in the camera division were 45 per cent higher due to strong sales of compact cameras. The group expects annual pre-tax profits to rise 39 per cent to Y13.5bn and sales to be 13.2 per boosted the performance of Olympus Optical, the Japanese cent higher at Y157.5bn.

10th November, 1989

ducer of ethical drugs, reported

sales for the period of Y101.19bn, up from Y93.9bn in the previous period, and a pre-tax profit of Y18.35bn, up from

Y17.18bn. The company expects a pre-tax profit for the full year to be Y31.5bn. compared to last year's Y31.15bn.

Shionogi, which is particu-larly strong in antibiotic lines, reported a fall of 0.7 per cent in

reported a fall of 0.7 per cent in its pre-tax profit to Y14.46bn, while sales for the first half rose 1.2 per cent to Y107bn.

The company expects that pre-tax profit for the full year will be Y27.3bn, a fall of 8 per cent, on sales of Y216.7bn, a 0.3 per cent incresses.

Hutchison about a possible

deal almost a year ago and met with an initial rebuff from Mr

Murray. In March, Mr Murray and Mr Charles Mackay, chair-man of Inchcape Pacific, agreed that the sale should

take place, subject to an agree-

ment on the price.

Mr Mackay said that Inch-

cape had wanted to buy the companies because it aims to

be dominant in each of its core

It was not the leader in Hong-Kong's consumer and indus-trial marketing and distribu-tion where it had turnover of HK\$300,000 in Hong Kong last year compared with Hutchi-son's HK\$1.6bn, which is expected to grow to HK\$1.9bn this year.

It was not the leader in Hong

EAST-WEST TRADE Sth DECEMBER 1989 For a full edisorial synopsis and details, please contact

PATRICIA SURRIDGE

Number One Southwark Bridge London SEI 9HL **FINANCIAL TIMES**  **Halifax Building** 

Society Floating Rate Loan Notes 1994 For the three month period from November, 1989 to 9 February, 1990 he Notes will bear interest at the rate

of 15.1625 per cent. per annum The Coupon amounts will be £191.09 per £5,000 Note and £1,910.89 per £50,000 Note, lorgan Grenfell & Co. Lin

PAN-HOLDING SOCIETE ANONYME LUXEMBOURG

As of October 31, 1989, the unconsolidated net asset value was USD 306,078,243.21 i.e. USD 497.69 per share of USD 100 par value.

The consolidated net asset value per share amounted, as of October 31, 1989 to 508.53.



### Espirito Santo Financial Holding S.A ("ESFH")

(a Société Anonyme incorporated and registered under Luxembo

**Unaudited Consolidated Interim Results** for the six months ended 30th June, 1989.

	SIX WASHING IN	rear to
	. 30 Jun 89*	31 Dec 88
	(unaudited)	(audited)
·	(Expressed in thousands of	
•	(229,000,000,000,000,000,000,000,000,000,	y C.D. Womersy
INCOME		
Interest income and income from securities and investments	370,105	738,401
Fees and other operating income	28,923	44,221
1 too mile onio. operating moon-		11,000
	399,028	782,622
EXPENSES AND CHARGES		
Interest expense and other operating charges	335,662	676.596
General and administrative expenses	22,735	39,025
Provisions	4.778	12,716
11041010110		
	<u>363,175</u>	<u>728,337</u>
OPERATING INCOME	35.853	64 306
		54,285
Amortisation of goodwill	-1,359	-2,671
Translation loss	-8,337	-28,863
Non-operating income (charge)	540	3,007
Net income before taxation	26,697	25,758
Provision for taxation	-6,025	-2,327
Net income after taxation	20,672	23,431
Income (charge) attributable to minority interests	<u> </u>	<u>6,651</u>
NET INCOME FOR THE PERIOD	12 241	16 700
NEI INCOME FOR THE PERIOD	13,241	<u> 16,780</u>
TOTAL ASSETS	1,802,761	1,358,914
		110001717
TOTAL LIABILITIES	1,520,177	1,074,425
TOTAL SHAREHOLDERS' EQUITY AND		
CONVERTIBLE NOTES AND BONDS	214,395	212,969
		<u> </u>
Consolidated earnings per share based on	(Expressed in U	.S. dollars)
number of shares outstanding at end of period	1.87	2.45
• • •		

The Directors do not intend to pay an interim dividend in respect of the year ending 31st December, 1989.

\*Comparative figures for the six months ended 30th June, 1988 are not available, no interim consolidated accounts having previously been prepared.

### Chairman's Statement

ESFH's consolidated unaudited results as at 30th June, 1989 reveal a positive trend in the Company's activities and profitability in the first semester of the year, with net income for the period at U.S. \$13,241 million compared with net income for the full year of 1988 of U.S. \$16.780 million. These results reflect increased profitability at holding company level as well as its subsidiaries, principally the Portuguese and Swiss operations. The Directors are confident of continuing improved results for the second semester of the current year.

Manuel Ricardo Pinheiro Espirito Santo Silva

# **Canadian Pacific Limited**

anadian Pacific Limited had income from continuing operations of \$470.0 million, or \$1.48 per Ordinary share, for the first nine months of 1989, compared with \$532.4 million, or \$1.73 per share, for the corresponding period of 1988. Including discontinued operations, the company's net income was \$554.5 million, or \$1.75 per Ordinary share, compared with \$613.5 million, or \$2.00 per share, in the first nine months of 1988.

For the third quarter, income from continuing operations was \$210.7 million, or 66 cents per Ordinary share, compared with \$167.7 million, or 53 cents per Ordinary share, in the third quarter of 1988. Net income rose to \$284.1 million, or 90 cents per share, from \$199.2 million, or 63 cents per share, in the third quarter last year.

Effective Sept. 30, 1989, Canadian Pacific revised the presentation of its financial statements in accordance with recommendations of the Canadian Institute of Chartered Accountants on the reporting of discontinued operations and extraordinary items.

	3rd	Querter	First Ni	ne Months
	1989	1988	1989	198
Transportation and Waste Services	\$ 26.5	\$ 38.7	\$ 6B.8	¥ 176.
Energy	38.7	34.6	110.6	100.
Forest Products	36.0	73.7	145.9	194.
Regi Estate and Hotels	46.2	39.2	72.5	93.
Telecommunications and Menufacturing	63.3	(18.5)	72.2	[31.
Income from continuing operations	210.7	167,7	470.0	632
Discontinued Operations	73.4	31.5	84.5	81.
Net income	\$ 284,1	\$ 199.2	\$ 554.5	¥ 613.
Average number of shares outstanding (millions)	317.5	313.8	317.2	308

The decline in nine-month income from continuing operations was attributable chiefly to depressed railway traffic, weak markets for newsprint and the higher value of the Canadian dollar. Improvement came from the telecommunications and manufacturing sector, reflecting AMCA International Limited's better operating performance and gains in the third quarter on selling a 40 per cent interest in CNCP Telecommunications and one of AMCA's units.

Competitive pressures are expected to continue to affect newsprint markets, and the anticipated improvement in rail grain traffic has yet to materialize due to poor export sales of Canadian wheat. However, fourth quarter results should benefit from considerably higher oil prices than in the final quarter of last year, firm demand for pulp and major

For more information, please write to: Denis Ke Canadian Pacific Lightfest, 82-65-Trafalgar Squara, Lorston WC2N SCY

**NEW ISSUE** 

9th November, 1989



# TOKUYAMA SODA COMPANY, LIMITED

U.S.\$200,000,000 33/8 per cent. Bonds due 1993

with

Warrants

to subscribe for shares of common stock of

Tokuyama Soda Company, Limited

Issue Price 100 per cent.

**Nomura International** 

Sanwa International Limited

**DKB International Limited Sumitomo Trust International Limited** Banque Bruxelles Lambert S.A. **Baring Brothers & Co., Limited Deutsche Bank Capital Markets Limited** Robert Fleming & Co. Limited **Kleinwort Benson Limited Merrill Lynch International Limited** Norinchukin International Limited J. Henry Schroder Wagg & Co. Limited Towa International Ltd. **UBS Phillips & Drew Securities Limited** 

Yamaichi International (Europe) Limited **IBJ International Limited Toyo Trust International Limited** Barclays de Zoete Wedd Limited **BNP Capital Markets Limited Dresdner Bank Goldman Sachs International Limited KOKUSAI Europe Limited** Nippon Kangyo Kakumaru (Europe) Limited **Salomon Brothers International Limited Shearson Lehman Hutton International** Toyo Securities Europe Ltd.

**NEW ISSUE** 

9th November, 1989

S.G. Warburg Securities



### SANRAKU INCORPORATED

(Sanraku Kabushiki Kaisha)

**U.S.\$100,000,000** 3% per cent. Guaranteed Bonds 1993

unconditionally and irrevocably guaranteed as to payment of principal and interest by

The Dai-Ichi Kangyo Bank, Limited (Kabushiki Kaisha Dai-Ichi Kangyo Ginko)

with

Warrants

to subscribe for shares of common stock of Sanraku Incorporated

ISSUE PRICE 100 PER CENT.

**Nomura International** The Nikko Securities Co., (Europe) Ltd. **Morgan Stanley International** 

**Daiwa Europe Limited DKB International Limited** Yamatane Securities (Europe) Limited

Mitsubishi Trust International Limited **Deutsche Bank Capital Markets Limited Kleinwort Benson Limited Merrill Lynch International Limited Paribas Capital Markets Group** 

**Credit Lyonnais Securities** Fuji International Finance Limited **KOKUSAI Europe Limited** Mitsubishi Finance International plc **Swiss Bank Corporation** 

**UBS Phillips & Drew Securities Limited** 

# INTERNATIONAL CAPITAL MARKETS

# Supremacy battle hots up for on-screen trading

THE Chicago Mercantile Exchange seizes every opportunity to fill the headlines with its plans for trading futures and options on a screen trad-ing system outside its regular open outcry hours.

Wednesday's announcement that the Marche à Terme Inter-national de France (Matif) will become an international partner to the system has heralded the usual round of self-congratulation. Mr Leo Melamed, chairman of Globex and head of the CME's executive committee, hails the inception of Globex as an historic development that could be a precursor for automated trading round

However, Glober is yet to trade and its launch, put off several times, is now scheduled for some time during the first half of next year. In the meantime, London will grab some of the limelight with the launch of its own electronic trading

system in November.
The London International Financial Futures Exchange (Liffe) plans to start up its Automated Pit Trading system on November 30. Although on a much smaller scale than Globex, Liffe's APT system could be trading all the exchange's products before Globex is launched.

The first phase of Liffe's APT start-up will list its Euro-

By Deborah Hargreaves

REUTERS, the UK information

group, says it has postponed launching the second phase of its Dealing 2000 foreign

exchange markets system to

The system's second stage will not begin to earn revenues

until the third quarter of next

year, according to Reuters.

The company had hoped that

allow further tests.

Deborah Hargreaves looks at the fight for market honours

between Globex and Aurora, both of the US, and the UK's APT system

mark futures contract for trading from 4.30pm until 6.00pm local time. This will be fol-lowed by the launch of Liffe's Bund futures on the APT, with the rest of its contracts added in the first half of next year. As part of a bid to make Globex a fully international product, Mr Melamed says he would welcome Liffe joining the system at a later date. He sees the APT as largely a UK system, although Liffe hopes it will become significant inter-

nationally.

APT tries to emulate the open outery trading pit on screen, while Globex is essentially an order-matching method. APT is similar to another screen trading venture - Aurora - at the Chicago

Reuters delays system for tests

the second phase of Dealing 2000, which will provide auto-mated order matching in the

foreign exchange market, would be running by the end of

"If we go ahead with phase two and it is not reliable, it

will be worse than nothing," a

FT INTERNATIONAL BOND SERVICE

ompany representative said. The first phase of Dealing

The CME and the CBT. the two Chicago futures giants, have been discussing a merger of their different electronic

systems since the beginning of the year. Mr Melamed says they have swapped many ideas on combining features of both, but talks between the two but talks between the two
rivals appear to be stuck on
the presentation of the trading
screen. Globex looks like a
spreadsheet, while Aurora
attempts to depict pit trading.
An important part of Globex's marketing thrust has been
directed at the Japanese, cur-

rently small users of derivative products. Some 33 per cent of the CME's business comes from overseas, although only a small portion of this is from

So far, Japan's Ministry of Finance has not authorised Globex screens to trade in the country, but the Government has sanctioned their use by Japanese brokerage houses in

Although Globex is not yet operational, Reuters is already training more than 1,000 bro kers to use the system, which will cost an initial \$800 for CME members and \$1,200-\$1,400 for Matif members.

Liffe says its technology more advanced than that of more advanced than that of Globex and the "pit" format of its screen has been well received by brokers and trad-ers. With development costs of only \$2.5m, APT could have an appeal outside the home base that the CME assigns to it.

2000, which allows foreign

exchange brokers to contact each other via computer, has

been in operation since July

Reuters has more than 300

orders for the system and has

distributed 1,500 terminals.

The delay in Dealing 2000 will not affect the start of the

Globex electronic trading system, the company said.

# Japanese insurers lift investments in property

By Michiyo Nakamet in Tokyo

JAPAN'S life insurance companies increased the amount they put into real estate investments and loans in the first half of this year, renewing concern about the effects on Japan's already repidly rising land prices.

Seven of Japan's life insur-ance companies, including ance companies, including annual control of the moral size of the group, Dai-tchi Mutaal Life, Sumitomo Life and Meili Mutaal Life, released financial statements yesterday for the six months ended September. These showed that the companies had increased their real estate investments compared with the same half year in 1988 by 23 per cent. With the exception of Sumitomo Life, they also stepped up their loans to real estate agents by 9

per cent.
The disclosures come as crit icism of real-estate related investment and loans has been mounting. Japan's high prices for land are spreading throughout the country and are again beginning to show signs of escalating in urban

The Japanese Finance Minis try has also again made a pab-lic appeal to financial institutions to refrain from real-estate related loan The real estate investments by the seven companies rose to

a year-on-year combined out-standing balance of Y4.90cha (\$34.2bn) while their real estate loans increased to a combined outstanding balance of Y1,860bn. The increase in real estate investment exceeded the growth of the life insurers' net

assets, which was up 18 per cent to Y80,200bs. New assets for the seven increased by 4.6 per cent to a combined Y6,470bm, although Dai-ichi Life and Samitozo Life posted Premium income for the seven companies saw only a

modest 5 per cent increase to Y9,200bn, compared with 21.4 per cent at the end of fiscal 1988 (ended March 1939). The sluggish growth in new assets was attributed to a downturn in insurance income coinciding with a surge in pol-

icy payments.
A lack of investment instruments offering high yields meant that policy holders of high-yield single payment in particular, did not sign up for new contracts but turned instead to other investment instruments such as recently introduced small-lot money market certificates.

Six of the large life insurers reported heavy currency exchange losses totalling Y48,300bn, but this was down from the year earlier total of Y52,000bn due to the dollar's appreciation against the yen. Sumitomo Life alone reported a currency exchange profit of Y11,100bn, after reporting a loss of Y64,500bn in the previous term.

Sumitomo Life was also the only company to report that its equity assets had topped Y4,800bn in the half-year. Nip-pon Life said that its equity assets exceeded Y10,000hn, but did not officially disclose a fig-

Complaints from policy holders that they should receive benefits from the extraordinary rise in value of the life insurers' equity hold-ings have made the companies mgs have made the companies wary of disclosing the value of their stock investments. However, industry watchers estimate that the latent equity value for 25 Japanese life insurance groups has risen to a total of more than Y50,000bn. amounting to Y50,000bn, amounting to about half their total net assets.

### Canada acts to stop spread of multi-vote stock

By Robert Gibbens in Montreal

CANADA'S stock exchanges are taking steps to curb the spread of multi-vote shares, used by owners and manage-ments to raise new equity without sacrificing control of

their companies.
Companies listed on the Toronto, Montreal, Vancouv and Alberta exchanges have been barred from issuing shares with greater voting rights than any existing class of stock, except in special circumstances. The new rules bring Canada more into line with US practice.

The policy does not affect multi-vote and non-voting shares already quoted, but analysis say it is a step towards one class of shares.

Scare Respirables Figure 1 Sears Receivables Financing, the financing arm of the Sears Roebuck retailing group, has filed a registration statement for \$500m of credit account trues account trues. account trust 1989 E pass-through certificates. Dean Witter Reynolds, Goldman Sachs and Salomon Brothers are managing underwriters.

Abbey Nat. 10% 94 CS.
Abbey Nat. 11% 95 S.
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Aegou 7% 92 Fl.
Alg. 8k. Ned. 5% 93 Fl.
Austria 7% 94 ECU.
8k. Nova Scot. 14% 90 AS.
Barclays Aus. 13% 91 AS.
Belgium 8% 94 Ecs.
BP Capital 9% 93 S.
British Advance 10 98 S.
British Advance 10 98 S.
Comm. Bk. Aust. 12% 93 AS.
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Comm. Bk. Aust. 13% 94 N.2S.
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Criocal France 9% 92 Ecs.
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Euro Coal & Steel 5% 9
Euro Ima 6 % 96
Elec De France 5% 97
Hydro-Quebec 6% 99
Japan Dev. 8k 5% 95
Japan France 5% 97 LA.D.B. 7½ 99.
Ireland 6½ 97.
Ireland 7½ 99.
Malaysia 6¼ 94.
Mat. West BK. PLC 6 98.
N.H.L. Finance 6¼ 95.
Vippon Teig. &Tei. 6 95.
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is. The yield is the yield to redemption of the mid-price issued is in untilious of currency units except for Yes e it is in billious. Change on week — Change over price;

Bonds: Denominated in dollars unless otherwise indicated, = Change on day. Cm date = First date of conversion into m. price = Rominal amount of boad per share expressed y of share at conversion rate fixed at issue. Profit = Percent-ium of the curvantel fecture price of acquiring shares via the r the most recent price of the shares.

### INTERNATIONAL CAPITAL MARKETS

# Flow of Canadian dollar deals threatens oversupply

TWO CANADIAN DOLLAR deals added to the already copious recent supply on the Eurobond market yesterday. Trad-ers warned that the sector is looking full of paper, but

### INTERNATIONAL BONDS

reported selective demand. The secondary market for Euro-Canadian bonds was firm, reacting to the strength of the government market which rose by up to % point in some maturities. Investors were encouraged by hopes that the currency will appreciate against the US dollar, while

yields remained attractive.
Deutsche Bank Capital Markets (DBCM) brought a C\$200m 10 year deal for Deutsche Bank Finance to a good reception. The bonds came with a 10% per cent coupon and, at less 2 per cent full fees, offered a yield of 60 basis points over Canadian government paper. The deal was syndicated along traditional lines, although all participants had

co-lead manager status and

**NEW INTERNATIONAL BOND ISSUES** Barrower
CANADIAN DOLLARS
Deutsche Bank Finance
Skeportfinans(e) US DOLLARS 양노 99·% 1999 3<sub>1</sub>/3<sub>4</sub> Shearson Lehman Hutton 100% 94 1999 D-MARKS LKB Baden-Wuerttemberg(d): 99.90 . (d) 1989 20/10be Deutsche Bank SWISS FRANCS Credit Foncier de Prance(a) 101 2000 Credit Suisse 105 10 1013 1891 13a/5a Credit Lyonnais ◆Final terms. :Floating rate notes. a) issue may be increased to SFr150m. Non-callable. c) Non-callable. c) issue increased to SFr150m. Non-callable. d) 6-month Libor flat. Call from Nov. 1983 at 100. e) Fungible with C\$I50m issue.

for its extra work in bringing A DBCM official said the bank had considered the fixedprice re-offering structure, but had rejected it on the grounds that the issue would have strong retail demand through the bank's own branch net-

work. Sales can be made to retail investors at issue price, implying better returns for the underwriting banks.

DBCM was quoting the paper at less 1.80 bid, comfortably inside fees. Demand was steady from Common ford. from German fund managers, while other members of the

syndicate reported interest from Benelux investors. Proceeds were swapped into floating-rate US dollars. At yesterday's attractive swap rates, the funding rate would have been around 35-40 basis points below

IBJ issued a C\$100m fungible five-year issue for Eksport-finans, and brought the new bonds in line with the existing paper. Demand was steady rather than spectacular, and the bonds were trading on fees at less 1% bid. Proceeds were swapped into floating-rate US dollars.

Shearson Lehman Hutton was the lead manager of a \$150m, later increased to \$200m. 10-year deal for Royal TrustCo which was priced at a re-offer level of 99% to yield

ceeds will be swapped into

floating-rate dollars.

110 basis points over the existing 10-year Treasury. The deal came too late for detailed com-

The TMCC issue met a favourable reaction from traders, who said it looked well priced. There was some comment about the small syndicate of only seven banks. Several houses commented that they had been excluded from the deal, but a TMCC official defended the exclusions, saying it felt that a small group of significant dollar houses allowed tight control and good information flow on a re-of-

Elsewhere, Crédit Lyonnais won the mandate for a FFribn 10-year deal for Crédit Local against fierce competition from banks offering a US dollar deal swapped into floating-rate French francs.

The bonds offered a 99% per cent coupon and at less 2 per cent full fees were priced to yield 58 basis points over the 8% per cent government issue due 1999. With the domestic market performing well, the issue had a good reception and traded inside fees at less 1% hid. Crédit Lyonnais reported good foreign demand and said the proceeds had been swapped into floating-rate francs.

In Germany, the secondary market saw gains of around % point on average amid improved turnover. The recent Italstat deal was trading steadily at less 3½ bid, unchanged from Wednesday. Deutsche Bank was the lead manager of a DM300m 10-year floating-rate note issue for LKB Baden-Wuerttemberg Finance, a Netherlands-based unit of the state-owned bank.

The notes were priced at 99.90 and offered investors Libor flat. Demand was reasonable. and the paper was quoted at 99.75 bid, just inside fees. In Switzerland, grey market

prices edged around % point higher, but trading remained very thin. Crédit Suisse is expected to launch a SFr125m 10-year deal for Credit Foncier with a 6% per cent coupon. Other banks said the terms looked very tight, and UBS said it would not be participat-

price difference between stock index futures contracts and midex indures contracts and their underlying stocks.

Mr Joseph Hardiman, president of the National Association of Securities Dealers, which oversees the over-the-counter market, yesterday released a letter to the sub-completes. common shares - and that the

In a speech yesterday, Mr John Phelan, chairman of the

# **Regulators back** Congress plan on programme trading

By Janet Bush in New York and Deborah Hargreaves in

A NUMBER of key regulators New York Stock Exchange. and representatives from Wall Street yesterday lent their support to proposed legislation in Congress designed to limit programme trading in times of market stress.

Yesterday was a key day in the current debate about programme trading as the House Telecommunications and Finance sub-committee held hearings on its proposed Stock Market Reform Act, 1989.

The bill includes provisions which would mandate securities houses to report large trades to the Securities and Exchange Commission and give the SEC ultimate power to close the stock market.

Yesterday's main topic was a suggestion that the bill should computerised programme trad-ing during extreme volatility. At issue is stock index arbitrage, the programme strategy in which traders capture the

sub-committee, supporting such authority for the SEC. He recommended that margins for trading stock index futures should be raised - they are around 5 per cent compared with around 50 per cent for

SEC should have authority over all equity derivative said he supported efforts in Congress to control market

In testimony before the subcommittee Mr Donald Regan, former US Treasury Secretary, said stock index futures should be banned or curtailed through

higher margins.
Mr Stephen Timbers, chief investment officer with Kemper Financial Services, the first investment management firm to announce that it would no longer do business with houses active in stock index arbitrage, said he supported the proposed legislation as a necessary addition to the SEC'S powers. Kemper, he said, supported the inclus

a provision to stop index arbi-trage during high volatility. In a speech in defence of programme trading at a conference in London yesterday, Mr Leo Melamed, chairman of the Chicago Mercantile Exchange's executive committee, said the question of whether programmed index arbitrage con-tributes to greater volatility on the New York Stock Exchange is still open.

Index arbitrage accounts for a significant portion of trading in the CME's Standard & Poors 500 stock index futures con-tract, although Mr Melamed believes the NYSE's efforts to limit the use of programme trading will have "no meaningful effect" on futures volume. Mr Melamed said the changing structure of the stock mar ket, the removal of fixed com-missions and the globalisation of financial markets have done more to create volatility than

# Treasuries improve on back of favourable producer price index By Janet Bush in New York and Rachel Johnson in London

US TREASURY bonds moved modestly higher yesterday morning as the market digested October producer prices figures and found nothing too worrying in them.

### GOVERNMENT **BONDS**

At midsession, the Treasury's benchmark long bond stood '4 point higher for a yield of 7.86 per cent. The October PPI rose by 0.4 per cent last month, a some-what larger rise than the 0.2 per cent predicted by econo-

Nevertheless, excluding the volatile food and energy com-ponents, the index rose by only 0.1 per cent, having gained 0.7 per cent in September. The 0.4 per cent gain in October gave a compounded annual rate so far this year of 5.2 per

Analysts said that the release pointed to an easing in inflation, making the Fed's move to lower interest rates this week quite justified. Bond price gains after the PPI release were limited by the enormous supply that the mar-ket faces.

traders think may not be

The rule of thumb in the weeks leading to the quarterly refunding was that Japanese investors would be heavy buyers at yields above 8 per cent. Yields are now below this level along the yield curve.

Because of the apparent eas-ing to a Fed funds target of 8½ per cent this week, yields have fallen to levels which bond

Yesterday, the \$10bn tranche of three-year bonds was held. The sale of \$10hn of cash manement bills is scheduled for

today with the \$10bn 10-year

auction on Monday and the

\$10bn 30-year sale on Tuesday. The Fed executed overnight

matched sales, consistent with a Fed funds target of 8% per

Fed funds had opened at a low of 8% per cent but then firmed a little to 8% per cent after the Fed announced it was draining liquidity.

■ EUROPEAN government bond markets have taken the Fed's easing of monetary conditions as a signal that short-term interest rates might come down soon.

Gains of up to 10 pfennigs

were made in the German bond market yesterday, where the new 10-year bund's terms were fixed at 7.18 per cent and priced at 99.6. The market closed unchanged, or made gains of up to ten pfennigs in medium-dated stocks.

■ THE FED'S activity was well received in France, where the market rose steadily over the week from low levels. In the futures market, bonds

held on to the past two days' strong gains to close about a point and a half higher than on

Secondary Euro-dollar bonds

benefited from the Treasury

market's buoyant reaction to the PPI figures, and gained

between % and % point across

the board.

The good background helped news of two fixed-price re-of-fered deals in the sector, both

of which were announced late

Nonura will bring a \$250m five-year issue for Toyota Motor Credit Corporation

(TMCC), with an indicated yield of 58/62 basis points over Treasuries. Pricing is expected to be completed today. Pro-

vesterdav.

The December futures contract on Matif closed at 105.92, 20 basis points higher than the day before, having touched a high of 106.02, amid very heavy trading of over 100,000 con-

Traders said that the easing of pressure on short-term interest rates would stimulate aggressive interest in shorter-dated stocks. Overnight interbank rates have already eased from 10 per

cent to 9.5 per cent hoping for

an official lowering in interest

■ IN THE UK, gilts waited patiently for the Bank of England quarterly bulletin, which emerged after hours. Traders expected its impact this morning to be relatively

British Funds Corporations, Dominion and Foreign Bonds Industrials

ancial and Properties .

### BENCHMARK GOVERNMENT BONDS Price Change Yield ago 104-25 +4/32 11.48 11.72 11.86 95-15 +6/32 10.59 10.78 10.75 94-06 +9/32 9.67 9.84 9.73 US TREASURY 94.7674 +0.112 5.49 5.45 102.2306 +0.182 5.45 5.32 6.750 6/99 96.9000 + 0.300 7.20 7.18 6.96 FRANCE BTAN 8.000 7/94 94.7967 +0.477 9.40 9.50 OAT 8.125 5/99 95.1300 +0.400 8.69 9.02 9.500 10/96 100,4625 +0.088 9.42 9.46 9.60 NETHERLANDS 7.250 7/98 97,4800 +0.250 7.82 7.58 7.40 12.000 7/99 92.6850 +0.355 13.36 13.55 13.64

London closing, "denotes New York morning session Yields: Local market standard Prices: US, UK in 32nds., others in decimal Technical Ostal ATLAS Price Source

higher, encouraged by data showing a slackening of inflahigh of 92.20 before ending at 92.22, up 24 basis points. In the tionary pressures in the US. The December bund on Liffe cash market, movements were more restrained, with gains of was especially busy, reflecting the renewed optimism in the about % being registered at the shorter end, i at the longer German market, and touched a

### Yugoslavian market established

THE FIRST money\_and securities market in Yugo-slavia in 43 years has been for-mally established in Belgrade, according to the state Tanjug news agency, AP-DJ reports.

The state agency said that the exchange, which is to begin operating on December 31, will deal only in short-term finan-cial documents such as banking certificates at first, and will initially be used only by banks and other financial institutions. However, the present Financial and Securities Market will evolve into a full-fledged stock market, allowing individual citizens to operate on it, the Borba news-

paper reported.

"We are preparing to have in the future a stock market like any other," said Mr Dragutin Gajic, an adviser in the Yugoslav National Bank.

### **LONDON MARKET STATISTICS**

**RISES AND FALLS YESTERDAY** 

FT-ACTUARIES SHARE INDICES														
These indices an	•						-	-						
the Institute	of Ac	tunrie	s and	the Fi	cuty	ot Ac	Wed	Tage	Man	Year				
EQUITY GROUPS	1	hursda	y Nov	ember	Nov 8	Hor 7	Mov 6	ago (approx)						
& SUB-SECTIONS			Est	Gross Div.	Est. P/E			,						
Figures in parentheses show number of stocks per section	Index No.	Day's Change %	Earnings Yield% (Max.)	Yield% (Act at (25%)	Ratio (Net)	xd adj. 1989 to date	Index No.	Index No.	Index No.	index No.				
1 CAPITAL G009S (206)	886.39	-0.4	12.56	4.79	9.74	27.91	890.26	877.04	873.08	818.42				
2 Building Materials (28)	1067.51	+0.3	14.98 17.46	5.26 5.49	8.37 7.48	35.83 55.10	1864.74 1486.77	1838.14 1388.22		1034.08				
3 Contracting, Construction (37)	2512 99	1	10.87	4.91	21.56	68.90	2535.38		2502.54					
5 Electronics (30)	1942.29	-1.8	9.49	3.78	13.58	50.67	1977.58	1952.50	1933.53	1744,83				
6  Mechanical Engineering (53)	468.39	-6.3	11.96	4.89	20.17	14.68	. 469.62	461.10	459.25	431.76				
8 Metals and Metal Forming (6)		+0.4	22.13 11.81	6,44 4,79	4,98 18.66	16.13 11.79	462.77 364.89	459,89 361,98	455.68 363.88					
9 Motors (18)		-8.4	10.01	4.54	11.78	51.93	1655.92		1624.60					
21 CONSUMER GROUP (185)	1249.33	-0.3	8.82	3.55	14.26	27.90	1253.42	1249.22	1239.32					
22 Brewers and Distillers (23)25 Food Manufacturing (20)	1402.16	-6.3	9.33	3.51	13.41	28.11	1483.95			1147.26				
25 Food Manufacturing (20)	1886.24	-j-0	9.44	3.95	13.37	25.28 44.25	1897.72 2314.61			969.49				
26 Food Retailing (1.5)	2276.73	-0.8 +0.2	9.18 6.22	3.09 1.92	14.53 19.15	49.54	2502.02	2476.69	2382_37 2483_85					
27 Health and Household (14)29 Leisure (34)	1560.26	12	836	3.68	14.74	37.32	1579.62	1554.74	1544.25					
31 Packaging & Paper (15)	532.42	+9.2	11.27	5.58	11.86	16.17	531.16	527.68	531.62	553.59				
32 Publishing & Printing (18)	3619.90	+0.3	8.93	4.79	14.36	107.68	3607.56		3572.66					
34  Stores (32)	779.39	+0.1 +8.5	18.95 11.10	4.74 5.71	11.98 18.92	21.68 15.85	778.96 511.91	766.88 509.81	778.15 518.98	736.67 547.67				
35 Textiles (14)40 OTHER GROUPS (94)	1105 67	-0.4	10.13	4.64	11.41	27.58	1188.64		1092.57	996.76				
41 Agencies (17)	7480.48	-1.0	7.13	2.44	17.30	25,29	1495.89		1490.31					
42 Chemicals (22)	1173.87	-0.9	12.78	5.33	9.22	43.50	1184.26							
43 Conglomerates (14)	1689.74	-0.4	10.62	5.29	11.11	36.84	1616.47							
45 Transport (13)	(2142.63	-4.8	19.42 11.49	4.57 4.64	12.27 11.44	56.50 22.38	216 <b>0.</b> 59 1662.86	2339,19 1854,53	2145.76 1858.58	1951.12 975.82				
47 Telephone Networks (2)	7924 60	+0.1  -0.2	9.51	4.51	11.87	44.84	1827.58	1893.28	1808.99	1217.99				
49 INDUSTRIAL GROUP (485)	1128.72	-8.4	18.28	4.18	12.00	28.73	1132.87	1119.60	1116.93	975.37				
51 Oil & Gas (15)		-8.5	10.18	5.33	12.99	87.50	2139.26		2128.77					
59 500 SHARE INDEX (500)	7919 03	-0.4	10.26	4.34	12.13	33.53	1217.63		1202.03	_				
		+1.3	10.20	5.37		28.35	765.91	756.85	758.41					
61 FINANCIAL GROUP (121)	784.88	43.3	21.96	637	5.98	35.17	759.99	756.86	750.17	446.37				
A5 incurance (Life) (8)	1293.14	49.8		4.99		47.56	1283.20	1253.43	1248.16	968.50				
66 Insurance (Composite) (7)	658.27	+0.4	<del>-</del>	5.74		28.34	£55.12	643.14	633.58	518.87				
67 Insurance (Brokers) (7)	1072.56	-9.4	6.89	5.75	19.32	45.26	1896.88 424.34	1071.81 422.18	1049.60 421.43	997.67 348.31				
68 Merchant Banks (11)	423.34 1178 10	-0.2 +0.4	7.61	3.99 3.49	16.69	9.78 22.74			1127.38	1242.92				
70 Other Financial CIO	321.54	4.4	12.34	6.67	10.56	13.34	322.80	321.18	318.12					
71 Investment Trusts (69)	1202.15	-8.3		2.91	-	21.61	1205,42	1190.83	1191.53	938.67				
81 Mining Finance (1)	708.28	+1.5	10.55	3.89	10.65	22.25	698.01	687.75	677.48	570.48,				
91 Overseas Traders (7)	1482.69	+0.3	9.89	5.76	11.60	49.88	1398.61	1387.68	1376.23					
99 ALL-SHARE INDEX (698)	1108.87	-8.1		4.46	-	31.96	1109.88	1097.59	1094.19	954.67				
	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Mor 8	Nov 7	Mov 6	Nov 3	Ker 2	Year ago				
FT-SE 100 SHARE INDEXA	2201.7		2213.3	2193.3				2173.1		1826.2				

_	FIX	ED I	NTE	REST	ſ		Average gross Redemption yields	This Nov 9	Wed Nov 8	Year ago (approx.)	
	PRICE Indices	The Nov 9	Day's change %	Wed Nov 8	xd adj. today	xd ad), 1989 to date		British Government Low 5 years Compones 15 years	9.89 9.62 9.53	9.95 9.66 9.58	9.74 9.26 8.93
2 3	British Government Up to 5 years 5-15 years Over 15 years Irredeemables	116.93 139.80 139.79	+0.25 +0.36	116.76 130.48 139.29 157.27	. 1111	10.50 11.60 12.71 13.42	5 6 7 8 9	Medium         5 years           Coupons         15 years           25 years         25 years           Coupons         15 years           25 years         25 years	18.96 9.99 9.64 11.09 10.19 9.78	11.61 10.02 9.69 11.13 10.23 9.83	18.14 9.36 9.03 19.27 9.60 9.21
_5		128.75	+0.23	128.45 139.35		11.52 2.79	112	irredomables	9.58 3.59 3.61	9.65 3.65 3.62	2.82 3.57
7	Over 5 years		+0.15	138.46 138.41	1	3.21 3.15	14 15	inflation rate 10% 5 yrs. Inflation rate 10% Over 5 yrs.  Debs & 5 years	2.78 3.44 13.76	2.83 3.45 13.77	1.73 3.41 11.71
	Bebeiture & Lucus	107.60 86.65		107.61 86.37	-	9.19 5.26	17	Leass 15 years 25 years	12.31 11.90 10.66	12.32 11.90 10.70	11.85 18.69 18.14
. (a) Fut	1,33pm (b) 10.12. Tunct truents is small sho	am † Flat He from ti 191 has be	yield. HIG 10 Publish en exchad	ers, The Fi ers, The Fi ed from th	s record, l mancial T	base dates iones him	, Valt	212.6; 2 pm 2212.1; 3 pm 2211.2; es and constituent changes are publis the, Southwark Bridge, London SE1 on gift yields stoce 20/10/1989. COM	aeo ar saru 9HL orice	iroay issue 15o, by oc	S. A. IISKOT St. 34a.

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issue Price	Ant'ni Paid	Latest Remain Date	19 High	199 Low	. s	tock	Clesing Price	-for	Met. Div	Tianes Cov'd	Gross Yield	P/E Ratio
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1055 41000 1000 1000 1000 1000			20/10 17/11 8/12 10/7	102-103-103-103-103-103-103-103-103-103-103	920 149 4649 970 970 988 991 710	Boustier lots. British Aerospa British Armany Caird Grp. 7p C City Site Esis. Flessing lat. H Gartmore Am. 1 d. S Optimens Leveraged Oppi MB Grp. 7 256 Battomaride Am Do. 4.25pc ind Fighnook Units Tighnook Units	A Car. Pi No. Cr. P No. P. Ser. Sers. Zer Income Intuntty Or. Cm. pls. 131 <sub>2</sub> psLude Ceryon 6	App CV f. 2005 pc CV R Dita. Pf e Ohv P Tst Zen Fst Cv U Ral. Pf pc Bels d 2024 4 pc Pf	18p	47	970 934 954 954 749 749 959 959 959 959 959	
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	t Deali			Nov 6 Nov 17	roll. Ametrad. Fisher	Res., (	Colo- Bear	Storein (*112

TRADITIONAL OPTIONS											
First Dealings Last Dealings Last Declarations For settlement or rate indications see condon Share Service	Nov 6 Nov 17 Feb 8 Feb 19 end of	Cails in: BAA, Tuskar Res., Coloroll, Ametrad, Fisher (A), Bear Brand, Control Secs., Next, WE Inds., Hanson Wis., New England Props. Put & Cail; Coloroll.									

### **LONDON TRADED OPTIONS**

THE LONDON Traded Options Market was again modestly traded despite the increase in turnover on the underlying mar-ket. The bulk of business was conducted in stock options. Total volume on the options

narret amounted to 27,241 con-tracts. This was divided between 15,106 calls and 12,135 puts. Racal was the busiest stock option following news that talks with GEC over the possible sale-of Racal's instruments and auto-

Racal traded 2,183 contracts, of

Barclays was also actively traded after news that Lloyds Bank had written off £1.2bn in provisions against Third World debt. The announcement was debt. The announcement was viewed positively for stronger banks with large overseas interests. In the absence of a Lloyds traded option, attention focused on Barclays, with call buyers in

tracts, divided between 1,240 calls and 76 puts. The March 500 call was the busiest series, trading 525 contracts.

Pilkington featured, reflecting

ington was weighted towards Total turnover amounted to

trading 514 lots.

The FT-SE 100 index option points to the cash index, on a lack of sellers and a helief the cash

Pilkington featured, reflecting heavy trade in the underlying market. Dealers said talk of a single aggressive US buyer drove its cash price higher Asia and the contracts compared with 19 contracts.

cont	racts,		JUC,	Wil	rcar)	uæu	HOC I	cash pri	ce h	igh	H. 1	Acti	vity	in i	Pilk-	on Wed			arec	3 W	ıtn	12,	991
-		in	CALL		يعلي ا	PUT:		وينتاية			CALL Apr		وا ا	PU1		Option		Nov	CALLS		Nov.	PUTS Jan	Apr.
Lyeas 7)	460 500	33 15	50 34	60 30			33 55	Utd.Biscuits (*354.)	330 360 390	42 21 7		4		5 2	2 23	ASDA Grp. (*136 ) Option	130 140		_	22 17	3 8 Non.	7	10 14
Almuq   )	s 1,80 200 220	20 9 3	15	19	13		9 19 32	Valleur (*619 )	600 650 700	184	674 364 26	514 324	41		12 534 894	Gateway (*237 ) Option	220 240	1	- Nar	Ξ	11	Ξ	Ξ
Com	110 120 130	17 12 7	18	19	נני	16	12 19 25	Ultranar (*339 )	300 330 360	ž	42 42 25	52	12	2	23	Polity Peck (*345 )	330 360	34 184	444 ! 294	40	123 <sub>4</sub> . 28	17 ½ 33	21½ 37¼
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')		24 11½	21	27	14	IJ	14 22	(*355.)	330 360	28 7½	42 22	36	10	20	24	Barclays (*497 )	460 500	47 19	67 39	74 47	5 17	15 32	17 33
h Steel	130	-	15½ _	181 <sub>2</sub> 13	2	3	91 <sub>2</sub>	(*77 <u>1</u> )	700 750 800	76 35 9	100 68 43	118 68 67	10 35	36	45	Blue Circle (*227 )	220 240	17	<b>2</b> 7	31 22	8	12	18 30
•	900 950 1000	113 70 40	105 72	135 165		2 2	8	BTR (*434 )	390 420 460	48 20 2	45 45 20	73 53 33	1 4 28	14	22	British Gas (*193 ) Dizons	180 200 100	17 <u>5</u> 4	22 10 15	29 16	8½ 4	铬	16 97 97
Vice )	500 550	35 14	62 36	75 50	23 55	30 59	37 65	Brit. Telecom (*254.)	240 260	16 31 <sub>2</sub>	23 11	32 20	1	5 lg 13	7 14b	(*104.)	110	-5	ij	16	85	15	16
Gold D)	1450 1500	20 4	=	=	5 45	Ξ	Ξ		290	1		10.F	27	29	29	Glase (*1465 <del>)</del>	1400 1450 1500			197 165 139	18 35 57	艾 50 74	44 62 82
wids )	330 360 390	36 18 8	49 30 19	55 37 22	7 17 40	9 21 42	15 26 47	Cadhary Sch (*337 )	350 360 390	15 12	35 20 11	43 30 18	57 56	16 32 56	23 38 58	Hanter Stdd. (*544 )	650	57 22	83 53	92 60	8 35	13 41	15 . 48 .
Vnice )	390 420	62	100 72	82	3	<u>12</u>	14	Grinness (*590 )	550 600	45 13	70 40	82 50	1½ 15	10 29	21 38	Hillsdowd (*265 )	260 280	16	28 18	五 25	8 20	13 24	15 26
	460 390 420	33 31 15	41 39 23	51 36	15 14 32	25 25 39	25 40	GEC (*232 )	220 240	14 2½	24 11 ½	32 20	10 7	64 15	8 18	Lowto (*269 ) Midland St.	250 280 330	=	25 17 31	35 23 35	=	20 29	20 33
, Met. )	500 550	59 28	70 42	90 60	12	21 43	ත ප	Ramon (*223 ) -	220 240	6½ :	131 <u>2</u> 6	22 12½	134 18	ᇕ	12է 26	(°334 ) R. Ragge	360 160 1	5	16 22	22 23	28 3	21 37 6	22 40 83
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•	900	3	3	3	76	76	76	Plessey (*258 )	240 260	31 11	ū	=	1	4	=	(*754 ) TSB	800 100	18 10	35		57	弱 25	62 3
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Public

# Storehouse fall of £15m is less than City feared

By Maggie Urry

group, yesterday reported a sharp fall in pre-tax profits from £23.6m to £8.7m for the 24 weeks to September 16. However, the shares rose 6p to 112p due to relief in the market that the numbers were not even worse and that the interim dividend had been maintained. Some analysts had forecast a loss and a dividend cut.

Group sales rose from £514.8m to £535m. The pre-tax profit included property dis-posal profits of £9.2m (£1.2m) and store closure costs of £4.7m (£900,000), which took in a £3m provision for closing seven or eight Habitat shops. The interest charge fell to £4.3m (£7.1m), because of lower debt. Gearing is expected to be

15 per cent at the year end, unchanged from a year ago.
Sir Terence Conran, chairman, said the group's basic problem, like that of many other retailers, was that "costs continue to rise faster than sales." He added that in the full year "clearly we will not be able to regain the ground lost during the first half." A decision on the final dividend would be made next summer.

Mr Michael Julien, group chief executive, said the prob-lems were all "fixable" and that management changes meant the people were in place to fix them. He said the process would take another two years, and much could be done to improve and reposition the stores, without great expense and without an improvement in the retail climate.

Mr David Dworkin, an American retailer, has been appointed new chief executive for BhS. Mr Geoff Davy, currently chief executive, has

Some analysts said the fig-ures could mark the start of Storehouse's recovery, but oth-ers disagreed. Mr John Richards at County NatWest, said the group faced a "mammoth task" in revitalising "three tired brands.

Group sales showed a 4 per cent volume fall in like-for-like

STOREHOUSE, the BhS, furnishings at Habitat and Habitat and Mothercare retail Heal's, and 2 per cent in speciality retailing - Mothercare,

> and Jacadi. Across the group variable store costs, such as wages, rose by 6 per cent, while fixed costs, such as rent and rates, rose 11

Richards, Blazer, Anonymous

per cent.

BhS increased sales by 2 per cent, but its operating profits dropped to £2.2m (£11.3m). The home furnishing division lost £2.4m (profit £4.2m), although Habitat France had made a £2m profit. Sales in the division were unchanged at £108m. In speciality retailing, sales rose 9 per cent to £189.8m, but profits slipped 7.5 per cent to £8.7m. Within that Mother-care's profits fell to £5.2m (£8.7m) and the other chains increased profits from £700,000 to £3.5m, including a first time profit from Jacadi. Richards increased sales by 20 per cent and Blazer and Anonymous by

50 per cent.
An extraordinary charge of £6.4m related to the sale of Storecard, the group's chargecard. The interim dividend of 2.5p,

costs £10.2m, largely payable from reserves. Earnings per share were 1.8p (3.7p). While Storehouse's almost

entirely new management team appears to be getting to grips with its problems, there is no arguing about the scale of the job, or the fact that it has to be done in the worst period for retailers that most can remember. Mr Julien may be right in suggesting that the current period may represent a sea change in British retailing, not just a blip. If that is the not just a blip. If that is the case, the decision on the final dividend, which would cost over £25m, will be a tough one. Clearly Mr Julien would like to maintain it — cynics would say because of the takeover threat. But the market is not expecting that, judging by the prospective yield of 10.5 per cent. Nor are the shares priced on this year's earnings, which might give a p/e of 25 at a rough guess. Buying for recovery is an act of faith, and there are still plenty of sellers about.

# Same lines but with little meaning

Clay Harris and Nikkit Tait look at Rothmans as Philip Morris sells its stake to the South Africans

HE SCRIPT for Richemont's bid for Rothmans International employs every buzzword and many of the plot devices seen in the biggest takeover battles

of the past year.

Brands, demergers, enhancing values for shareholders, continental European companies run by South Africans, how best to re-invest the cash harvest from tobacco compa-nies. These familiar lines. widely rehearsed in the bids for Consolidated Gold Fields and BAT Industries, have come

around again.
This time, however, the shadows from backstage are the only show. Richemont affects to be a most reluctant bidder. "I would suggest that it's not in anyone's interest to accept," Mr Johann Rupert, managing director, said yester-day. On the terms he is offer-ing, he is unlikely to be disap-pointed.

Richemont, moreover, said it planned no immediate management changes at Rothmans, although with many executives in their late 50s and early 60s, Mr Rupert said: "It's clear that some succession planning is in the offing.'

Mr Rupert would hardly be in a position to complain about Rothmans' performance anyway. His family has held effec-tive control over the UK group since 1972, a position barely affected by Philip Morris's eight years as a shareholder. Indeed, analysts yesterday appeared more surprised at the price at which the Philip Mor-ris stake was being handed

over than at the deal itself. That, suggested one pundit, had looked increasingly likely ever since the Rupert family set up Richemont, a listed Swiss-based company, last year to hold Rembrandt's non-South African interests - thereby giv-ing them added incentive to



Johann Rupert: "I would suggest that it's not in anyone's

regain control of Rothmans'

Four years earlier, any plans Philip Morris may have had for using its 25 per cent stake in Rothmans as a platform for more significant things were stymied by a European Com-munity ruling. This restricted the voting holding to 25 per cent and denied Philip Morris any managerial role at Roth-

But if the natural buyer and natural seller were obvious, the London market seriously overestimated the price and terms on which the deal might be done. Rothmans shares had risen from around 425p a year ago, to over 600p by mid-July and 669p ahead of yesterday's news. By contrast, the value of the Richemont offer is estimated by the Swiss group's advisers at only 588p a share and even then the payment is

loan notes.
Yesterday, Philip Morris's advisers said the US group's options had been severely limited by the original "implementation schedule," drawn up when Morrie hearth its hold. when Morris bought its hold-ing from Rembrandt in 1981. This set out the manner by which either party could dispose of their stakes.

Not only did Rembrandt/Ri-chemont have a pre-emptive right to match the price offered by any other buyer, but there were cumbersome procedures to go through and the canny split of the Cartier holding between Richemont and Roth-mans could make valuation difficult for a hostile purchaser. The placing route was ren-dered difficult by the size of the holding.
For Richemont, Mr Rupert

just smiled sweetly and said

Richemont 43.83% (+25% BCID PBM Holdings Philip Mitris) Rothmans International Rothmans (UK) 100% Martin Brinkman (W.Germany) 100% Tabacofina (Belgium) 100% Rothmans Inc. (Canada) 71% Rothmans Holdings (Australia) 50%

But if Philip Morris has exited for the best, if less than gorious, terms it could extract, a questionmark remains over where the Rothmans price goes next, given that much of the speculative fizz has evaporated Vesterday the shares rated. Yesterday, the shares remained fairly firm at 638p - a matter of further surprise to some analysts.

Not unnaturally, Richemont appears to being doing its best to prevent a wave of selling. The deal has been announced a tantalising two weeks ahead of Rothmans' interim results, and the bidder added that it would discuss "ways of enhancing the

value of shareholders' interests in Rothmans group compa-

Over quite what that might mean, Mr Rupert was studi-ously vague. But it seemed to cut little ice with a number of analysts, nor with Mr David Montagu, Rothmans' chair-man. "I haven't the remotest idea what we're going to do," he commented, "and I don't expect anything to happen

For his part, Mr Rupert's main line yesterday was to stress the importance he placed on building and exploit-ing brands.

Under the Ruperts' guidance Rothmans has invested its tobacco surplus in manufacturers of luxury goods, such as Dunhill Holdings, Cartier, Piaget and Baume & Mercier, a clear contrast to the rather broader diversification at BAT.

But the group's ownership structure gives Mr Rupert an advantage denied Mr Patrick Sheehy at BAT. "Few compa-nies are offered the luxury today of long-term planning," Mr Rupert admizs, "You do not build value overnight. You year period, and then you have real value."

# Sea Containers plan survives challenge

By Andrew Hill

SEA CONTAINERS, which is rental company, and Stena, a defending itself against a \$1.02bn (£643m) Anglo-Swedish bid, has fought off the predators' latest attempt to outlaw its alternative plan in the courts.

stores, with a drop of 3 per ery is an act of faith, and there cent in BhS, 6 per cent in home are still plenty of sellers about. Tiphook, the UK container announced his long-awaited

private Swedish ferry operator, a temporary restraining order. The order would have prevented Sea Containers from buying or selling its own stock. Last week Mr Jim Sherwood,

alternative to the \$63-a-share bid from Tiphook and Stena. It involves a \$1.1bn asset disposal programme and a \$70-a-share tender offer for about half Sea Containers' equity.
Sea Containers shares were

trading at about \$64% each in

# Sidlaw buying Transrap in £9m deal

By Lisa Wood

SIDLAW, the Scottish-based packaging, oil services and textile group, is expanding its packaging division with the acquisition of Transrap, a USM-quoted plastics group, in a deal worth some £9m. It has received irrevocable announced results for the half undertakings in respect of 78 year to September 30, which

in the half-year to June 30. It has a market capitalisation of

The acquisition and rights offer will be put to shareholders at an extraordinary general

meeting on November 27.

per cent of the capital. The 7-for-17 terms value Transrap shares at 66p each. There is a to 40 per cent of individual

showed pre-tax profit virtually static at \$439,000 (£433,000) on turnover 14 per cent up at £4.05m (£3.55m). Comparisons were restated for the acquisition of B Norman (Esse The interim dividend is maintained at 1p from earnings

of 2.51p (2.6p).



Result of the Meeting of the Holders of the £66,000,000 5% Convertible Bonds Due 2002 held on 8th November, 1989

(Registered in England No. 1162517)

NOTICE IS HEREBY GIVEN to the holders of the \$66,000,000 5% Convertible Bonds Due 2002 of The Gateway Corporation Limited (respectively, the "Bondholders", the "Bonds" and the "Company") that, at the Meeting of the Bondholders convened by the notice published in the Financial Times on 16th October, 1989 and held on 8th November, 1989, the Extraordinary Resolution set out in such notice was passed. Accordingly, the Bonds will be redeemed on 17th November, 1989 (the "redemption date") at a redemption price of 104% of the principal amount thereof and otherwise in accordance with the Conditions endorsed thereon, together with interest accrued up to and including the redemption date. The Bonds will cease to bear interest after the redemption date.

Payments of principal and accrued interest will be made, in accordance with Condition 6 of the Bonds, against surrender of the Bonds and the Coupons at the specified office of any of the Paying and Conversion Agents set out below. Upon the surrender of such Bonds and Coupons, payment will be made (i) in sterling at the office of Bankers Trust Company specified below or (ii) at the option of the Bondholders, at the specified office of any Paying and Conversion Agent by sterling cheque drawn on, or transfer to a sterling account maintained by the payee with, a Town Clearing branch of a bank in London, subject in all cases to any fiscal or other laws and regulations applicable in the place of payment.

Each Bond should be presented for payment together with all relative unmatured interest Coupons, failing which the amount of any such missing unmatured Coupon will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon to any Paying and Conversion Agent.

Bondholders should note that, if the Bonds and the Coupons are not surrendered for payment as aforesaid to the Paying and Conversion Agents within periods of ten years and five years respectively from the redemption date, then such Bonds and Coupons will become void and cease to represent a right or claim of any kind or nature to receive the cash amount described herein, which cash amount shall be deemed to have been surrendered to the Company.

Dated 10th November, 1989

By Order of the Board, Elizabeth Hignell, Director

Registered Office: Stockley House, 150 Wilton Road, London SW1V 1LU Names and addresses of Paying and Conversion Agents:

Bankers Trust Company, I Appold Street, Broadgate, London EC2A 2HE

Swiss Bank Corporation, 1 Aeschenvorstadt, CH-4002, Basle, Switzerland

Banque Indosuez Luxembourg, 39 Allée Scheffer, L-2520, Luxembourg

This notice has been approved by S.G. Warburg & Co. Ltd., which is a member of The Securities Association.

### Allied Insurance Brokers bids maximum £9.9m for Neil Lewis By Andrew Bolger

Allied Insurance Brokers said yesterday it had conditionally agreed to acquire the insurance services group Neil Lewis Associates for a maximum of

29.9m.
Allied said NLA specialised in creditor insurance for retail financial institutions under which, if certain specified events (such as death, disability or redundancy) occur, a claim may be made for the sum of money to be used to repay

the creditor NLA, which in the year to March 31 made pre-tax profits of over £1m, was started in 1981 by Mr Neil Lewis and Mr Greg Burns in 1981. Mr Lewis will join the board of Allied, and both will remain to run

their company.
Allied's USM-quoted shares were suspended on Wednesday at 132p, pending this announcement. The acquisition will be paid for in two tranches. The initial payment will be satisfied by the allotment of 6.5m new shares at 140p to the venders.

The balance of 3.3m new shares are to be offered to Allied shareholders by way of a rights issue at 111p per share by Laing and Cruickshank which is underwriting the

Mr Nigel Cayzer became executive chairman of Allied in June and his brother, Mr

COMPAGNIE DE SAINT GOBAIN ISSUE OF TITRES PARTICIPATIES ECU 100,000,000 WITH WARRANTS CORRECTION OF THE PREVIOUS PUBLICATION DATED ISTH AUGUST 1989

For the calculation of the coupon maturing on 10th February 1990, the net consolidated income taken into account for the floating portion of the rememention in FRF 4.044.000.000 other inflation adjustments on the figuration profile of

As the LIBOR ECU is 9.375%, the minimum coupon so calculated produces an annual interest rate of 9.75%.

As the applicable TMOE is 8,5625%, the coupon so calculated produces an annual interest rate of 10,31%.

Therefore, two stem-amount coupon pay-able on 10th Pobrustry 1990 will be ECU 51,56 pet three perdepatif of ECU 1.000 instead of ECU 53,25 as it had been



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### **DIVIDENDS ANNOUNCED** 0.825 7.95 0.5 0.751 6.9 2.5 2.26 2.3 1 2.1 2.1 2.1 3.9 Rupert Galliers-Pratt, joined the board as a non-executive director. Together they own just under a third of the existing shares in the company. Their stake will be heavily diluted by the rights issue, but they intend to take up some of the new shares Allied made pre-tax profits of £267,000 on turnover of £1.85m.

Dividends shown pence per share net except where otherwise stated. "Equivalent after allowing for acrip issue. fOn capital increased by rights and/or acquisition issues. §USM stock. §§Unquoted stock. \$Third market. XFor 17 months.

This advertisement is issued in compliance with the requirements of the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The Stock Exchange") and does not constitute an invitation to any person to subscribe for, or purchase, any securities.

Application has been made to the Council of The Stock Exchange for the warrants described below to subscribe for 'A' shares and 'B' shares in Hafnia Holding A/S (the "Warrants") to be admitted to the Official List. Such admission to become effective and dealings in Warrants are expected to begin on 10th November, 1989.

# HAFNIA HOLDING A/S (Incorporated in Denmark with limited liability under registration number 66750)

**ISSUE OF UP TO 308,269 WARRANTS** TO SUBSCRIBE FOR 'A' SHARES AND 'B' SHARES OF HAFNIA HOLDING A/S

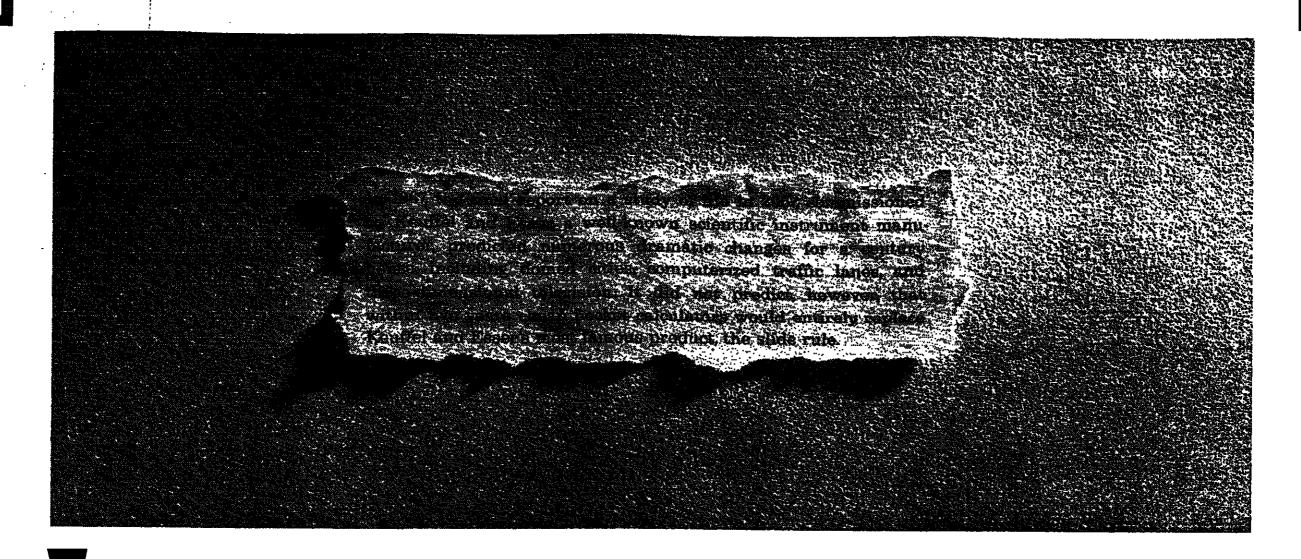
in connection with the recommended offer by Prudential Bache Securities (U.K.) Inc. on behalf of a wholly-owned subsidiary of Hafnia Holding A/S to acquire the whole of the issued share capital of Prolific Group plc

Particulars of the Warrants are contained in the offer document dated 22nd September, 1989, copies of which are available during normal business hours until and including 14th November, 1989 from the Company Announcements Office of The Stock Exchange, 46-50 Finsbury Square, London EC2A 1DD, and until and including 24th November, 1989 from:

Prudential Bache Securities (U.K.) Inc., 9 Devonshire Square, London EC2M 4HP.

Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN:

10th November, 1989



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MAKE IT YOUR BUSINESS TO CHANGE

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# Body Shop pleases with 31% rise to £5.3m

THE BODY SHOP has showed how well insulated it is against the chill wind sweeping the retail sector. The market yesterday warmed to the 31 per cent increase in pre-tax profits for the six months to August 31, lifting the shares 24p to

238p.
The profit growth from £4.07m to £5.32m was achieved despite an interest charge of £890,000 (compared with £250,000 received) and despite spending £1.4m, twice as much as last time, on the nascent US operation. Turnover rose 50 per

cent to £34.66m.
In the UK, the pace of growth was checked by the changeover to a new warehouse. Because of this, only nine more shops were opened in the first half. Nine more 1991, 20 more should be operat-

BOND Corporation, headed by

Mr Alan Bond, the Australian

businessman, is paying A\$500,000 (£248,000) in damages following the collapse of a deal with Aviva Petroleum, the UK-

Under the agreement,

reached last September, the financially-troubled Bond Cor-

poration was to sell its 67.7 per

cent interest in the Harriet oil

By Ray Bashford

have already appeared, with 11 to come before Christmas. Mr Gordon Roddick, chairmar Gordon Rodonck, chairman, said the company had felt slight effects of the UK consumer spending squeeze. Instead of 15 to 18 per cent organic growth, it had achieved 12 per cent. "However, that is growth that almost all other retailers would kill for."

The 32 stores opened outside the UK included the first in New Zealand, taking the over-seas total to 287 and the num-

ber of countries to 35.

While Canada holds second place to the UK with 70 shops, the expansion effort is focused on the US, where there are 14

and gas field, about 10 miles off the coast of Western Australia,

Bond Corporation said that it pulled out of the deal because it had received a more

attractive wholly cash offer.

Aviva was offering to pay A\$135m cash with the remain-

to Aviva for A\$220m.

Bond Corp pays A\$0.5m damages to Aviva

ing which Mr Roddick said would bring break-even point.
Although he admitted that the entry costs had been a bit higher than expected, sales had been better. The two earliest shops were showing organic

### PHODY SHOP

growth of more than 25 per cent and the mail order busi-ness, which had yet to be advertised, was receiving 300

calls a day. Over the past two years and up to the end of this financial year, Mr Roddick said that capital spending would total about 230m, of which £20m had been financed out of cash flow.

concluding the purchase and

expected to meet the November 24 deadline when it was

informed by Bond Corporation

last Tuesday that an alterna-tive buyer had been found.

been sold to Hadson, a oil com-pany, which already owns a 19

The interest in the field has

by the end of the year.

Apart from the money ploughed into overseas expansion, the company was extending its existing UK offices at Littlehampton, planning to move to new ones on the nearby warehouse site and ing more on production facilities and research and

Earnings per share increased to 3.3p (2.7p) and the interim dividend is 0.83p.

Now that the company has changed its year end to February, the second half contains the Christmas feast and the full-year profit forecast is for

financing arrangements would

be kept in place in anticipation of an alternative acquisition.

The A\$500,000 compensation payment was in line with the terms of the deal and would

more than cover the costs

incurred in putting it together.
The suspension of Aviva

Gearing had reached a peak of about £16m. The prospective plant of the blood pressure but it is normal for The Body Shop. Some will be scared off by the beight from which it could fall. But the argument for buying the shares - if you can lay bands on them - is that this really is a fantastic growth story and there is more to come. Even looking at the downside - the debt - the company's cash flow is expected to be strong enough to wipe it out in about two years' time. Overseas organic growth is at least 25 per cent and the profits of the US operation are all to come. Another twinkle in the com-pany's eye is Japan, where a p/

# JRH lifts net asset value 8% but remains bearish on outlook

The company's managers

stressed yesterday, however,

that they remained bearish

about future prospects for

equity markets - a warning note first sounded in the

By Nikki Talt

J ROTHSCHILD Holdings, the investment company headed by Mr Jacob Rothschild which last year demerged its longerterm investments into a new investment trust, reported a near 8 per cent increase in net

asset value in the six months to end-September.

After dilution for outstand-ing options and allowing for dividends and distributions in respect of the new RIT Capital Partners trust, the value was Partners trust, the vame was 201p on September 30, compared with 186.5p at end-March. The interim dividend goes up 1p to 5p, and JRH pointed out that if this payout was added back, the total return to shareholders was 10.5

annual report last June. "Shareholders should not assume that the results produced last year or, indeed in previous years, are repeatable either in terms of profits or of total returns" they added. Given the more difficult market conditions, JRH said it viewed the interim figures as "satisfactory". It also added that it had been pursuing a policy of reducing exposure to equity markets to lower its risks, and employed various hedging instruments. As a result, it said that the October

oamage.

The group made a pre-tax profit of £58.5m (£43.5m) in the six month period. Net profit on dealing investments went up from £35.8m to £54.4m, while investment income chipped in 230.1m (£27.8m). Interest

stock market difficulties in both the US and UK had been

negotiated without serious

est in the Hoykake consortium, which earlier this year made an offer for BAT Industries. It also has a 5.5 per cent interest in Sunningdale which in turn owns 29.9 per cent of Ranks Hovis McDougell, and 12.5 per cent of Anglo, the company earmarked as the vehicle for Sir James Goldsmith's return to the UK takeover trail.

charges came to £25.7m

Below the line, there were

realised gains on the holding portfolio of £17m (£2.6m less). Unrealised dealing gains at

end-September were £51.822 against £58.6m at end-March

£10.3m to £19.4m, or 30 per cent - more representative of

future levels, said JRH. Earn-

ings per share were 13.69, against 11.59 (before the reduc-tion in the group's capital

JRH has a 78 per cent lates est in the Hoylake consortium

The tex charge rose from

However, it pointed out that the Hoylake and Sunningdale stakes rank only 22nd and 23rd in its portfolio, and said that these had minimal impact on

# Alva calls for £12.7m to finance policy change

investment policy.

The issue of 4.38m ordinary shares, 1.55m of which will be offered to qualifying shareholders at 300p each, is on the basis of five ordinary shares for

every two currently held. ERI, which owns 64.6 per cent of Alva, will not be offered shares directly. Instead the balance will be offered to share-holders and clients of ERI's joint owners, Ensign Trust and La Compagnie Financiere Edmond de Rothschild Banque. Alva's new policy, stated at the time of the ERI acquisition, is to focus on luxury and design-related businesses in

Europe.
It intends to transfer certain investments worth £2.46m to Ensign and to acquire some of the latter's investments, giving

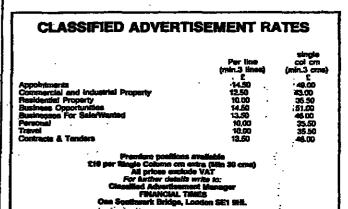
ALVA INVESTMENT Trust, control of which passed to ERI in August, plans to raise about \$12.66m via a share issue to finance its declared change in the control of the contro made in other luxury products such as Charbonnel et Walker and Taylor of London. It is also proposed that Alva

changes its name to Worth Investment Trust and that

each 25p share be subdivided

into five 5p shares. An extraor-dinary meeting is to be held on December 5 to seek approval for the above moves, In the year to August 31 Alva incurred a pre-tax loss of £25,221, compared with a £33,425 profit in the previous year.The final dividend was

reduced to 1.5p making a total of 2p.
The directors warned yesterday that future dividends were likely to be modest as a change towards more unlisted invest ments was likely to limit



# PUBLIC WORKS LOAN BOARD RATES

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### Swiss Life

IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION No. 006545 of 1985

IN THE MATTER OF SWISS LIFE (UK) PLC AND IN THE MATTER OF SWISS LIFE INSURANCE AND PENSION COMPANY AND IN THE MATTER OF THE INSURANCE COMPANIES ACT 1982

NOTICE IS HEREBY GIVEN that on 19th October 1989 a Petition was presented to Her Majesty's High Court of Justice (Chancery Division) by the above-named Swiss Life (UK) Pic for sanction under Section 49 of the above-named Act ("the Act") to a Scheme ("the Scheme") providing for the transfer to Swiss Life (UK) Pic of part of the long term business comprised in the United Kingdom branch of the above named Swiss Life Insurance and Pension Company (a mutual insurance company incorporated in Swizzrland) and for an Order making ancillary provision in Gennection with the said Scheme under Section 50 of the said Act.

Copies of the said Petition, the Scheme and of a Report by an Independent Actuary in pursuance of the said Section 49 may be inspected at the offices of the said Companies at 99-101 London Road, Severnaets, Kent, and at the effices of the solicitors for Swiss Life (UK) Pic specified below, during normal business hours, for a period of 21 days from the publication of this notice.

solicitors for swess the (Un) the specimen union, during names musices munis, for a period of 21 days from the publication of this notice.

The Petition is directed to be heard before the Honourable Mr Justice Harman at the Royal Courts of Justice, Strand, London WC2, on Monday the 11th Harman at the Royal Courts of Justice, Strand, London W.Z., on wohway me 11th December 1989. Any person (including any employee of either of the said Companies) who claims that he or she would be adversely affected by the Scheme may appear at the time of hearing in person or by Coursel for that purpose.

Any person who intends so to appear and any policyholder of either of the said Companies who dissents from the Scheme but does not intend to appear and the said late than two clare date.

# Daks Simpson down £1m

clothier, saw profits fall from 26.2m to £5.3m pre-tax for the year ended July 31.

e of 40 does not raise an eye-

rates and their consequential effect on corporate overheads over was up to £53.48m (£59m). They had "no real doubt" that the group would weather

term plans. Start-up costs on major projects absorbed the whole of the 26 per cent profit increase achieved in the previ-The directors said that should be viewed against the background of rising interest ous year, they pointed out. Development of mail order was progressing steadily. The womenswear side had fared ss well and its rationalisation

will be completed. Turnover expanded to 553.48m (559m). The dividend is held at 10.35p, with a final of 7.95p, paid from reduced earn-

shares, which followed the der deferred for up to a year.
Mr Lawrence Hockey-Swee-The chairman said that he was disappointed with the failannouncement of the proposed purchase, was lifted yesterday. ney, Aviva chairman, said his group was in the final stages of any recession, and said they would continue with the longer ure of the deal but that the They closed 3½p up at 17½p.

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# فكذاصر النصل

#### **UK COMPANY NEWS**

Steven Butle reports on the profit downturn in the third quarter at two major oil groups

# R.Dutch/Shell declines by 20%

THIRD QUARTER ensings at from oil exploration and protection fell by 20 per cent on current cost basis to £66m. The decline was mainly occunted for by lower chemics profits as well as losses or currency

On a historic est basis, which takes intlaccount inventory losses and gains, profits fell from £778m to 5652m. The first the quarters as a whole saw arincrease in current cost earlings from £2.4bm to £2.68bm. Shell was abl to benefit

strongly from higer oil prices during the quiter. Profits

By RaymondSnoddy

THE SOFTNING of the advertising market in the south of Exland combined

with new infestment in con-tract printing capacity held

down Portshouth & Sunderland Newpapers at the interim state.

Pre-tax rofits for the 28 weeks to ad-September fell 8 per cent # \$3.02m from turnover £534m higher at

£40.17m.

Despit the dip in profits
P&SN yeterday said that it

had mad further progress dur-ing the eriod and "unless eco-nomic onditions deteriorate further than expected, should increase profit before tax for

the full year."
The company expected to

benefit, in particular, in the second half from an expansion in contract printing including the contract to print The Sunday Correspondent at Portsmouth. The expansion led to costs in the first half, including the installation of a new colour pages.

MR COLIN GILTRAP the New

Zealand car importer and dis-tributor, is to become a non-ex-ecutive director of Malays

Group after agreeing to inject £1.13m into the Sussex-based

Porsche, Mercede Benz and

Alfa Romeo dealer Mr Giltrap will ind up with

20 per cent o Malaya's

By Clay Harris

barrels a day, with higherprod-uction volumes coming from Gabon, Syria, Colombia, and Nigeria. Natural gas sales volumes fell by 9 per cent to 4.5bn cu it a day.

Current cost earnings in refining and marketing for the quarter fell by £62m to £310m, and for the first nine months by 23 per cent to £754m.

Because of the rise in crude and product prices, however, this was sharply higher on a historic cost basis, rising from

On the publishing side advertising revenue for the

second quarter slowed down

considerably at the southern companies (Portsmouth and

Croydon) after two years of growth although it was still

buoyant at the northern com-

the business - 33 convenience stores and 19 newsagents -

were ahead of last year.

Mr Eric de Belaigue, publishing analyst at CIBC Securities, said yesterday that he was diagroplated at the results.

He was, however, looking for £6.25m for the full year and noted that Portsmouth & Sun-

derland had a strong balance sheet with £6.2m in short-term

cash deposits and Reuters shares valued at £3.8m.

Giltrap injects £1m into Malaya Group

subscribing for shares at 47p, a

premium to the company's price on the Third Market -

He also holds 22.4 per cent of Frank G Gates, an East Lon-don and Essex Ford dealer,

up 4p yesterday to 45p.

"I would expect the company

Twould expect the company to take advantage of these diffi-cult times [for advertising revenue] to make an acquisition,"

Mr Belaigue said.

Earnings per share were last, to a significant acquisition.

enlarged share capital after ful bid for early in 1987, and 8.2

Profits for the third arm of

P&SN restricted to £3.02m

In chemicals, earnings fell sharply on the quarter from £313m to £195m, while on a nine month basis they rose four per cent to £824m. Both margins and sales volumes fell on commodity chemicals. Coal earnings fell from £26m

dropped from £34m to £25m in the quarter.
Shell said its cash flow for the first nine months at £4.3bn was little changed from the previous year. Higher net income was offset by increased working capital requirements caused by higher crude and

dividend is 2.26p (1.51p).

Portsmouth & Sunderland appears to be in a stronger position than the dip in profits

and the uncertain outlook for advertising revenue, at least in

the south, might suggest. The company is clearly benefiting from having a solid base in the

north, where advertising revenue is still lively, as well as in the south. Full year earnings of £6.25m - which could be on the low side - amount to 32p

per share and a p/e of 9.5. Per-haps most significant of all for

haps most againment of all for the past two years the com-pany has been trying for acqui-sitions but has been pipped at the post because it refused to pay what it regarded as silly prices. In the harsher economic environment for regional negre-

environment for regional news-papers the combination of

per cent of the shares (but less of the voting rights) at East-bourne-based Caffyns. Mr Lionel Clemas, Malaya's finance director, said yesterday

that the cash from Mr Giltrap would be used to reduce borrowings and fund expan-

• COMMENT

Capital expenditures rose from £3.1bn to £4.1bn in the first nine months of the year, including payment of £647m for a 10 per cent interest in a joint venture with the Nigerian National Petroleum Corpora-

Cash and short term securities fell by £900m to £4.1bn, while debt eased slightly to £5.6bn. Corporate charges for the quarter included a £101m loss on currency exchanges, Quarterly earnings per share at Shell Transport fell from 8.5p to 7.1p per share. See Lex

#### Expanding Glamar turns in £677.000

Glamar Group, the leathergoods, accessories and hosiery distribution specialist currently being revamped by Mr Stephen Barker, former managing director of Albert Fisher, yesterday announced interim profits of £677,000 together with the acquisition of Dabar for a maximum consideration of 2608,000 in cash

and shares.

Dabar markets and distrib tes travel goods comprising handbags, sports bags and wallets. The maximum consideration will be met by £278,000 cash and the issue of 200,000

Glamar's outcome for the six months to end-September - up from £10,000 last time - came on turnover of £5.56m (£1.77m). Profit before interest receivable at £607,000 showed underlying organic growth of 34 per cent over the pro forms result for last year. Handbags and leather goods accounted for 5577,000 (£478,000) and hosiery

257,000 (2478,000) and nosiery 230,000 (loss £25,000).

Mr Barker said both Triad (four months) and Symphany (two months) made significant contributions. The acquisition of L&D (after the period end) and Dabar would give increased market share and geographical coverage. He said given the group's position within low cost non luxury product ranges he was confi-dent about second half pros-

Earnings were 2.52p and the interim dividend is 0.75p on increased capital. Last year the payment was 2p and the final

## Falls in all sectors leave BP lower

BRITISH Petroleum yesterday reported weak third quarter earnings, with net profits falling on a current cost basis from £402m last year to £264m this year. It left first three quarters earnings down at £1.02bn, against £1.13bn. On an historical cost basis,

which includes inventory effects, profits for the three months to the end of September fell from £318m to £211m. Lower profits were seen in all major sectors of the com-

pany's operations during the quarter, including exploration and production, despite prices which averaged about \$3 a barrel more this year than Mr David Simon, managing director in charge of finance,

said BP's upstream operation was hit by higher tax charges in Alaska and the UK, lower production in both areas, and sales of producing assets as part of its restructuring.

In Alaska higher taxes were imposed by local authorities following the Exxon Valdez oil spill, while in the UK Petro-

leum Revenue Taxes have risen on older producing fields.

Operating profits on the upstream part of the business fell from £403m to £334m. Crude oil production volume fell from 1.6m to 1.43m barrels per day during the quarter.

Current cost operating profits in the refining and market.

its in the refining and market-ing part of the business fell from £218m in the third quar-ter of last year to £154m this year. Refining margins were particularly strong both in the third quarter of last year and the second quarter of his year, but have subsequently fallen. The weakness in worldwide

#### Racal Electronics sale aborted By Hugo Dixon

Racal Electronics' plan to sell its instruments and automa-tion businesses to the General Electric Company of the UK for £31m has fallen through, the company announced yesterday. Racal said in June that it was planning to sell Racal Dana and Racal Automation, which have operations in the UK and the US, to GEC's Mar-coni Instruments subsidiary. It had decided to get out of the businesses because it was not a

hig enough supplier of test and measurement equipment on the world market.

chemicals prices was reflected

in a drop of £13m in operating profits to £112m compared to last year. Mr Simon said that polyethylene prices had

already begun to recover, fol-lowing the fire at Phillips chemicals plant in Houston,

and he saw signs of a serious cyclical decline in the market. Cash flow throughout the

group rose strongly with £3.13bn of funds generated in

the first three quarters com-pared with £2.2bn last year. This has helped reduce debt,

with gearing reaching 50 per cent following the buy-back of shares from the Kuwait Invest-ment Office earlier this year, and reached 44 per cent at the

end of September.

Mr Simon said that gearing was expected to be in the low fortles by the end of the year, and may fall to the high thirties by mid-1990.

Earnings per share fell in the quarter from 5.2p to 4.2p, although they are up for the first three quarters from 15.5p to 23.5p. A quarterly dividend was declared at 3.65p, making 10.95p for the year to date

10.95p for the year to date with a share dividend alterna-

tive offered to shareholders.

Last year there was a interim payment of 5p. See Lex

No reason was given for the break-down of talks beyond a statement that the two compa-nies had failed to agree on terms and conditions. "It's bad news for Racal in that they're £31m short and left with a business they don't really want," said Ms Judy Stewart, an electronics analyst at Kleinwort Benson Securities.

Construction, Housing and Property Development Preliminary results for the year ended 30th June 1989

	1989 £000	\$890 0002
urgover	134,493	108,904
rading profit	8,322	7,231
lents and Interest	3,305	2,794
rofit before tax	11,627	10,025
ax	4,158	2,965
rolit after tax	7,469	7,060
xtraordinary item	229	. <b>–</b>
	7,698	7,060
) Dividends		
Interim - paid	246	214
Final - proposed	698	600
arnings per share	74.69p	70.60p
Dividends per share	9.36p	8.14p
r Turnover increased by 23.5% * Pre-tax pr * Additional surplus of £2,145,000 on p property portfolio added to r * Dividends increased by	artial revalu escrves	

The Annual Report and Accounts will be posted to shareholders on 8th December 1989.

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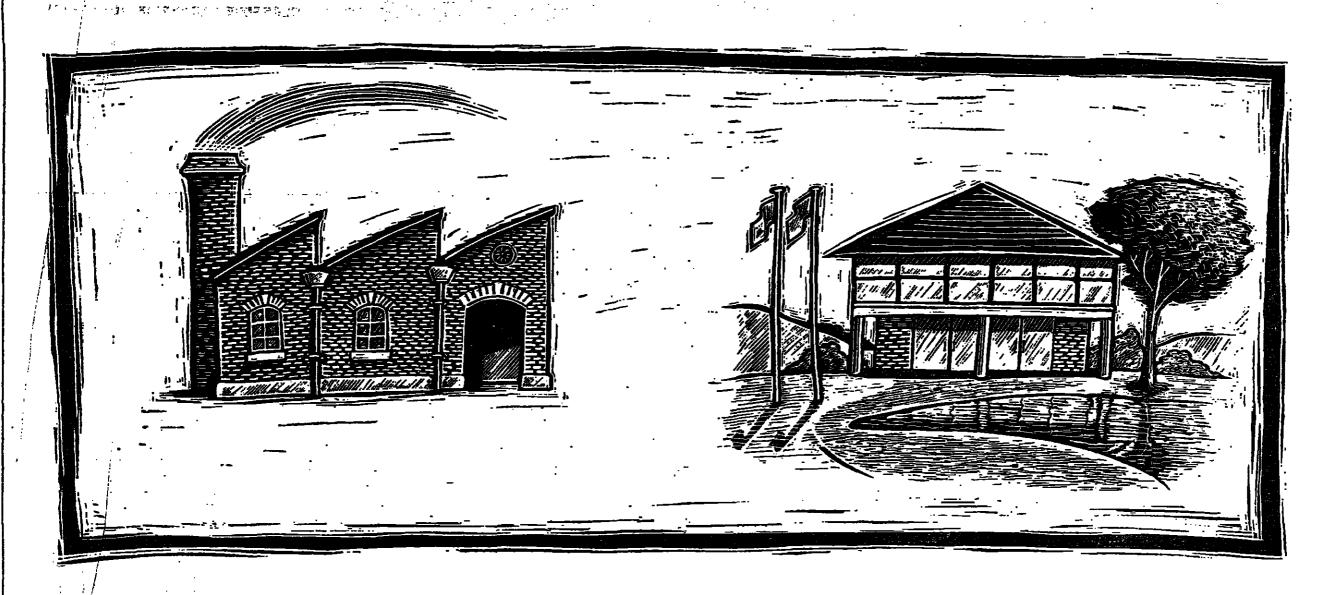
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## BSN RISES...

**BILLION FRENCH FRANCS** TURNOVER FOR 9 MONTHS ENDING SEPTEMBER 30

Consolidated sales for the BSN Group during the first nine months of 1989 came to 36.2 billion French francs compared with 31.1 billion French francs for the 1988 relevant period.

(in millions of French francs)	1989	1988
Dairy Products	9,486	8,255
Grocery Products	7,487	7, <u>2</u> 74
Biscuits	7,805	5,521
Beer	4,943	4,758
Chanipagne, Mineral Water	3,137	2,555
Containers	4,211	3,662
	37,069	32,025
Intra-Group sales	(870)	(889)
GROUP	36,199	31,136

Comparisons of gross sales figures for the first nine months of 1988 and 1989 are subject to the follo-

 In the Grocery Products Division, 1989 sales figure does include sales of HP Foods (UK), Lea & Perrins (US) and Materne Fruibourg (France): it does not include sales of Vandamme Pie Qui Chante which was transfered in 1989 to Biscuits Division, nor the sales of Bottu, a company sold at the end of 1988; • In the Biscuits Division, sales of Belin (France), Jacob's (UK) and Saiwa (Italy) have been in as of early June 1989; sales figure of 1989 does not include sales of unbranded activities in the US sold

In the Beer Division, sales of Henninger Hellas (Greece) are not integrated;
 In the Containers Division, sales of Giralt Laporta (Spain) are integrated only in 1989.

ble basis and unchanged exchange rates, the evolution by divisi	
Dairy Products	12.7%
Grocery Products	7.1%
Biscuits	
Bea	
Champagne, Mineral Water	
Containers	
GROUP	8.6%



FRANCE'S LEADING FOOD AND BEVERAGE GROUP

#### **UK COMPANY NEWS**

Expansion of 20% in spite of slowdown in British housebuilding and consumer markets

## Yale and Valor lifted by strong US performance

main US market helped Yale and Valor, the international security and home products group, increase its pre-tax profits by 20 per cent to £25.9m in the half-year to September 29. Turnover was up 21 per cent to

Mr Michael Montague, chairman, said: "This fine performance is as a result of the American economy remaining on an even keel and despite activities in Britain having slowed in line with the house-building and consumer mar-

Two thirds of the group's activity takes place in North America and Mr Montague said NuTone, the market leader in the US for installed electrical appliances in the home, continued to make good progress.
The acquisition and rationalisation of Miami-Carey had also made the group the largest and most efficient maker of bathroom cabinets in the

Within the group's electrical division, water heating prod-ucts had benefited from new business; Elsy and Gibbons had an exceptional six months

A STRONG showing in its with its modular water heating system Gainsborough and Heatrae Sadia continued to account for 28 per cent of the total UK electrical shower mar-

> Breville products were doing well and maintaining high market share, but Dreamland market same, but Dreamman electric blanket sales were awaiting the arrival of winter, although manufacturing had been transferred to Portugal,

been transferred to Portugal, currently the lowest cost producing area in Europe.

In security products, Yale was enjoying good business levels in North America as a principal supplier to the construction and refurbishment industry, and it continued to industry, and it continued to dominate the market for door

Mr Montague said he would review his group's £180m bld for Myson, the boiler and radiator manufacturer, in light of the findings of the Monopolies MMC is expected to report soon on the competition effects of Yale and Valor's offer, and on the rival £196m hid for Myson from Blue Circle.

Earnings per share increased

by 12.8 per cent to 14.01p

is raised by 13 per cent to 3.9p

Yale and Valor has done well in the US at a time when the housing market has been rather sticky and is poised to do even better if forecasts of an upturn in new-home starts are fulfilled. The US bias has cer-tainly sheltered it from the UK property freeze, and dollar earnings will be boosted by any long-term devaluation of the pound. Forecast full-year profits of £50m and earnings of 32p put it on an undernanding multiple of 8.5 on yesterday's closing price of 275p, up 2p. The price has been depressed by the possibility that Yale will be allowed to acquire Myson, which would involve it issuing paper for which the City paper for which the City showed little enthusiasm when the bid was launched in July. Mr Montague's careful phrasing suggests that Yale will be taking a long, hard look at reviving its Myson bid, even if the MAC gives it a clear run. Minus the Myson overhang, the shares look undervalued on

the shares look undervalued on

## **WCRS** seeks £72m to finance French buy

By Alice Rawsthorn

THE WCRS Group plans to raise 572m through a convertible preference share issue to finance its acquisition of Carat, the French media buying

In October, WCRS, which has owned half of Carat since last year, announced plans to take full control of the busi-ness for £202m. At the same time it reached agreement to sell control of its original advertising interests to Eurocom, the French marketing group, for up to £47.5m.:

The proceeds of the preference issue will be used to make the first payment for Carat and to satisfy expenses incurred in to satisfy expenses incurred in the deal WCRS will pay for the rest of Carat in four annual payments of £12.5m in cash

and shares. WCRS is issuing 72m 9.75 per cent guaranteed convertible preference shares 2004 at £1 each, through WCRS Finance NV, its Netherlands Antilleshased subsidiary. The issue has been underwritten by Salomon Brothers International.

The issue is conditional upon shareholder approval. If the Carat deal does not go ahead, the issue will continue and the proceeds will be used to reduce

the group's indebtedness.

When the first payment for Carat is made — and WCRS receives the proceeds of the sale to Eurocom - the group's long term debt will be rejuced from £70m to £40m. Given that media buying is a business with strong cashilow, Mr leter Scott, chairman, said WURS would have the financial figsibility to expand its media buy-

ing network.

WCRS will spend the next
year completing the formation of a media buying operation in conjunction with Eurocon The network will be constructed on a country-by-country basis and should be completed by the end of 1990.

#### Gleeson rises 16% to £11.6m

MJ Gleeson Group, the construction and property investment company, reported taxable profits of £11.63m for the 12 months to June 30.

The outcome - up 16 per cent on the previous year's result of £10.03m - was achieved on turnover ahead 24

per cent to £134.49m (£108.9m). The group did not break down the profits figure by divi-sion but said that the contract-ing operations made a higher contribution, while the residen-tial estates division performed well in a weaker market.

Gleeson said house sales were being maintained at an "acceptable" level in difficult market conditions. The order book was "excellent," and higher levels of output were

expected in the current year.

The group also expected to benefit from any upturn in infrastructure spending.

Earnings per 10p share expanded to 74.69p (70.6p) and the proposed final dividend is raised 15 per cent to 6.9p making 9.36p (8.14p) for the year.

An extraordinary credit of 229,000 related to the net surplus on a property sale. plus on a property sale.

About one third of Gleeson's

property portfolio was revalued at its year-end and the surplus of £2.15m credited to revalua-

# All-round growth

PRE-TAIPROFITS of Stateley Industria the measurement mechanici and electrical suvices at manufacturing group, eximited by marry 19 per cent. rom galles to 22 to in the habyear to end-Septen.

Mr Bria, Kent, chairman, said it has been a "pleasing first half, with all divisions of the group ingroving." He was, optimistic abut the second six months although "naturally we are a bit areons about the economic cities in the UK.

Minerals, to British Salt division, hat a good six months. Increasing volumes were largely he result of improved expos to Nigera. In the UK, prices were increased by 7. per cent a

within the seasurement division, Weightronix was adversely affected by a below of orders from U. Larmers in May, in anticipation of drought which didnot materialise. However, thedreision as a whole improved its perfec

mance.

Quality Assurance activities
started well with a particularly good performance from
Conum inspection, the non-destructive testing operation which formed part of enalcast. Staveley's US acquisition last year. Staveley has recently withdrawn from nuclear ser vices with the sale of a Consu facility in California, or an

undisclosed amount.

Mechanical and electrical services sustained project start delays, which were not expec-ted to affect the year as a

whole.
Turndyer improved 9 per cent to \$127.9m (\$117.5m). Net interest tharges were higher at £1.5m (\$1.1m). After a fax rate two percentage points lower at 26 per cent, earnings per share advanced to 7.9p (6.7p). The interim dividend is lifted to 1.1n (1.9p). lifted to 1.1p (1.9p).
Mr Christopher Burns
resigned last mouth after

arely more than a year in the post of group managing direc-ter, to which he was recruited from Lucis Aerospace (UK) with a view to leaving Mr Kent more time to look fer acquisition Mr Kent vesterday said Mr

Burns' departure was "entirely amicable". I would not affect the runing of the company since there were three execu-

#### COMMENT

Mr Kent is vey keen to take Staveley furthe into weighing and non-destrictive testing, and non-destrictive testing, especially in lurope, but as the planned acquisitional moves have not yet materialised there are a few question marks hanging wer the longer-term shape of the group. Apart from that, such of Staveley looks extremely safe and eley looks extremely safe and solid at the momnt: after all, people are not sing to stop salting roads in an economic downturn, nor would such a situation reverse the increas-ing emphasis being placed on testing aircraft for afect. The main near-term uncertainty, apart from the British winter. is the degree of ternround Weigh-Tonix can schieve in the second half. Pre-tix profits should reach around £24.5m, putting the shares or a pro-spective pe of below 9. That is certainly not demanding.

#### Cabra shows decline to £4.43m

Cabra Estates, which changed its name from Conrad Holdings following the acquisition of Marler Estates, reported interim profits 20 per cent lower at £4.43m, against the interim dividend is raised

to 1.25p (1p). The main cause was a halving in the proceeds from property sales.

The group is changing its year end to Marh 31 and the present period will be 15 months with a scond interim Turnover for the first half of months with a scond report after 12 months.

## Haden acquires Mills Marketing in £10m deal

HADEN MacLellan Holdings, the diversified industrial group, has agreed to acquire the ordinary and preference share capitals of Mills Marketing Holdings for a maximum £10.55m.

Mills is a distributor of com-puter numerically controlled machine tools, principally pre-cision lathes, machining centres and grinding machines for production engineering.

The initial consideration for Mills, which was the subject of a management buy-out in June 1987, backed by Rutland Ventures, CIN Venture Managers and 3i, is \$4.15m.

The management of Mills will receive £2.65m, of which £700,000 will be satisfied by the issue of loan notes. The bal-ance is expected to be satisfied by the issue of new Haden ordinary shares. The vending insti-tutions will receive 21.5m, of which £500,000 is expected to be in cash with the balance in

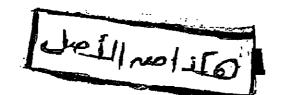
The venting institutions will also receive, before May 31 1990, a deferred payment equal to £4.20m less the then value of the initial consideration shares allotted to them, together with accrued interest.

Finally, deerred payments of up to around £3.1m will be payable to the management shareholders in two instalments following finalisation of the 1990 and 1991 accounts if Mills achieve agreed profit before tax tagets.

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#### **FT LAW REPORTS**

# Lorries misuse right of way

JALNARNE LTD AND ANOTHER VRIDEWOOD Chancery Division: Judge Hywel Moselly QC, sitting as a deputy High Court Judge: Octo-ber 26 1989

VISITORS TO a trading estate may use a right of way over an access road granted to the owners of industrial premises, as long as they conform with the terms of the easement; but if the visitors trespase on the access road by parking or causing an obstruction contrary to those terms, the court trary to those terms, the court may restrain owners from ellowing entry. And an owner will be liable for his own actions as joint tertfeasor if he was in a position to control his visitor, was present when the trespuss occurred, and permit-ted its commission. trespens occurre

Judge Hywel Moseley QC, sitting as a deputy High Court judge, so held when granting injunctions against Freezereez Ltd, Lowers Garage Ltd and Mr Lanario, and awarding damages against Freezerez, on a counterclaim by Mr and Mrs Ridewood, defendants to an action by Jainarne Lid and Lowers Garage. Their counterclaim against Jalnarne was dis-

HIS LORDSHIP said that prior to January 1981 Mr and Mrs Ridewood owned a former rail-way yard on which stood a

large disused shed.

In 1979 and 1980 planning permissions were granted for change of use of the shed to light industrial use, and for construction of a new building, also for light industrial use.

Mr and Mrs Ridewood intended selling the shed and part of the land with planning consent, and building trading premises for themselves on the rest of the site.

On their retained land, between their new building and the shed, they intended constructing an access road with right of way, serving the whole of the estate.

in 1981 the shed and part of the land were purchased by Jainarne, a property developer. By the conveyance Mr and Mrs
Ridewood convenanted to construct the access road on their
retained part of the land, and
granted Jainarne a right of
be brought on to it. way over it. After the conveyance Mr and

- -:

Mrs Ridewood built a com-pound cutting off part of the access road. Jaharne and one

ers Garage, applied for an for light industrial use cut injunction restraining them down the ambit of the grant. That was not arguable. Plant pound.

The compound interfered with the right of way, it was a nuisance and breach of a cove-nant by Mr and Mrs Ridewood not to obstruct the road. The injunction was granted. Mr and Mrs Ridewood count-

terclaimed against Jalnarne and its successors in title, Freezereez, Lowers Garage and Mr Lanario.

Part of the railway shed had been lessed to Freezereez, trad-ers in frozen food whose sup-pliers came in articulated lor-ries. Part of the remaining land had been sold to Lowers had been sold to Lowers Garage, motor car dealers, whose suppliers came in large transporters. Another part of the shed had been leased to Mr and Mrs Lanario for a snecker club and bar. The other premises on the trading estate were still owned by Mr and Mrs Ridewood, motor cycle dealers, whose suppliers came in artic-

whose suppliers came in articulated vahicles.

They came by licence, express or implied, of the respective proprietors. Visitors tended to park on the access road and disrupt traffic. Tempore traffic tended to park on the access road and disrupt traffic. pers became frayed. Under the conveyance Jal-

name was granted a right of way over the access road "at all times and for all purposes with or without vehicles." That easement must be con-

struct in the light of a cove-nant by Jalnarne not to obstruct the roadway or to park any vehicle on it. It was therefore an easement to pass and repass, but not to park or obstruct

The easement as granted passed under section 62(1) of the Law of Property Act 1925 to Jainarne's successors in title. Any visitor who passed over the access road trespassed unless his passage was pursu-ant to the easement.

There was evidence that articulated lorries visiting Freezerez and Lowers Garage parked on the access road. Mr Auld for Mr and Mrs Ridewood argued first, that the physical characteristics of the access road when the easement was granted limited the nature of traffic which could reasonably

The evidence did not support that argument. The grant of the right of way was in the widest possible terms.

Mr Auld contended that the

ning consent for light indus-

ning consent for light monstrial use made the bringing of articulated lorries onto the access road very likely. Even if a restriction were implicit, planning consent was not capable of cutting down the ambit of a grant (see Robinson v Boiley [1948] 2 All ER 791, 794).

Mr Andi's second and alternative argument was that the

native argument was that the grant was for the benefit of premises which did not, at the time of the grant, require the attendance of large articulated lorries. He said there had been a subsequent radical change in use and the easement did not extend to articulated vehicles.

extend to articulated vehicles. That argument could not succeed either. The law was well-settled. Once it was established (as the court had found) that the grant was unrestricted, it could no longer be successfully argued that change of use of the dominant tenement debarred its owner from enjoying the easement (see Gale on Rosements p. 298). He relied on Milner's case [1907] 1 CH 208,229, where there was excessive use of a right of way into a railway station. An injunction was granted to the owner of the servicent tenement to restrain the railway com-

to restrain the railway com-pany from licensing or invit-ing passengers to

pass . along the passage."
That case was correctly decided, but it was not authority for the proposition that the owner of a dominant tenement was liable for his visitors' tres-

There was no authority for the proposition. It was con-trary to principle.

That did not mean however, that Mr and Mrs Ridewood had no remedy. Mr Auld had another proposition which was correct, and was the basis for the order in Milner.

It turned on the principle that in the absence of contrary intention, a right of way was presumed to secure for the dominant owner all that was necessary for reasonable enjoy-ment of his tenement, including the right to licence visitors to enjoy the easement.

Milner indicated that a

licence could be taken away from the licensee, and that when there were grounds for doing so, the court could order the owner of the dominant ten-ement to withhold his licence. That had nothing to do with

ner because licensees using the way were acting outside the scope of the easement and would be trespassing. The owner of the dominant tenement was restrained from granting licences permitting such trespass to continue.

That principle was applica-

ble in the present case.

Owners of dominant tenements could control visitors by withholding licences unless and until they behaved in accordance with the terms of the easement. Such control could be exercised, for example, by employing parking wardens, or stopping visitors at the gate until there were suffi-

cient parking places.

Milner type injunctions were made against Freezereez, Lowers Garage and Mr Lanario, restraining them from licensing or inviting persons to pass along the roadway without ensuring they did not park on it or obstruct it. How they ensured that was a matter for

Mr Auki's remaining proposition was that owners of dominant tenements were liable for their own actions in being present at and in assisting visi-

tors in committing trespass. There were prin There were principles dating back to Color (Co Litt 57b) to the effect that persons who authorised, assisted, procured or encouraged the commission of a tort, might in certain circumstances be joint tortlea-

cumstances be joint tortfea-sors, liable in damages.

Brooke v Bool [1926] 2 KB
578,584 applied that principle.

The elements of presence when the tort was committed, ability to control the tortfeasor by terminating the licence, and permission for the commission of the tort, resulted in liability

for the consequences.

All those elements were proved against Freezeresz. Mr and Mrs Ridewood were granted damages gainst Freez-ereez and an injunction restraining it from committing further acts of trespass.

For Jainarne and Lowers Garage: Leslie Blohm (Harris & Harris, Wells) For Freezewez and Mr Lanario: John Blackmore (Austin & Bath, Glastonbury) For Mr and Mrs Ridewood: Charles Auld (Dodson Harding,

Rachel Davies



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By Bridget Bloom, Agriculture Correspondent

CHANGES TO the British Government's forestry policy have resulted in a marked loss of confidence among private investors and seem likely seriously to undermine planting targets in the future, the Forestry Industry Committee of Great Britain believes.

In a report\* being presented to the UK Government and EC officials this week, the committee of the UK Government and EC officials this week, the committee of the Commi

tee, which represents forest owners and processors, calls for a review of policy. In partic-ular, it seeks both higher and more broadly based grants for tree planting.

The report comes nearly two years after the Government changed the financial regulations applying to forestry by abolishing controversial tax incentives which had favoured the planting of conifers on marginal land. It put in their place higher grants for both conifer and broadleaved tree planting, at the same time effectively taking forestry out of the tax system altogether.

officials have argued that the Government's target of planting 33,000 hectares a year would only be temporarily affected by these changes, the FICGB notes that only some 13,500 ha had been allocated for planting by the private sec-tor in the first full year of the new scheme.

The committee acknowledges that a temporary loss of confidence may be inevitable following the changes, but believes that, without further action by Government, confidence could take as long to revive as it did in 1974 when following a "less radical fiscal change it took ll years for plantings fully to recover." The report says that given "the massive new investment

in the processing sector' amounting to just under £1bn, "any repeat of this could be disastrous for investment and expansion.

Among the committee's recommendations is the suggestion that planting grants should be increased by £400 per hectare for better arable land: this would bring total grants for conifers on such land to £1,015 a hectare and for broadleaved trees to £1,375 per ha. It also wants grants for the main-tenance of planted forests. Improvements should also be

made to the Forestry Commis-sion's process of approving grant applications as well as to make sure that an applicant make sure that an applicant need not regard the obligatory consultation process with local and other opinion as "a costly lottery in which his grant is whittled away."

One recommendation which is put forward with the intention of "enhancing the image.

tion of "enhancing the image of forestry in the public mind" (which the report describes as "a very important factor") would extend existing grants to both planted and unplanted land. This would make possible good landscaping and design of forests, the FICGB says.

\*Options for British Forestry.
FICCB. Agriculture House
Knightsbridge, London SWI Tel
01-235-2925.

## Canadian farm reforms urged

By David Owen in Toronto

CANADIAN FARMERS must become more flexible to market requirements and less dependent on subsidies, according to a Green Paper released this week by the Federal Department of Agricul-

In particular, the paper calls for greater market sensitivity from the supply-managed marketing boards which set prices for milk, eggs and poultry in Canada, less reliance on ad hoc

programmes and a review of subsidies covering grain trans-

"We must have... predictable economic support for our farmers, which allows them to make decisions based on the market, rather than on government incentive," it argues. The paper is expected to be a prelude to fairly extensive agricultural policy reform by the

Conservative Mulroney Gov-

ernment, which is under

severe pressure to reduce its C\$30bn (£16m) annual budget

Federal spending on agricul-ture nearly doubled between 1985-86 and 1987-88 to C\$6.1 bn, according to the Organisation for Economic Co-operation and Development. However, political commentators warn that the Government must continue to treat farmers with kid gloves due to their clout at the ballot-box.

## Arab aluminium output forecast

By Kenneth Gooding, Mining Correspondent

PRIMARY ALUMINIUM production capacity in the Arab world is likely to jump from the current level of 515,000 tonnes a year to about 1.335m tonnes by 1994, according to Billiton-Enthoven Met-als, the London metals trading arm of the Royal Dutch/Shell

Not only will this increase have aprofound impact on the aluminium market, because a substantial proportion of the production will be exported, but it is also likely to lead to the development of indigenous raw materials, says Billiton-Enthoven in its latest metals mar-

kets report. "The existence of substantial hauxite reserves (the raw material for aluminium) in Saudi Arabia and the availability of caustic soda makes the establishment of an alumina (aluminium oxide) refi-

LONDON MARKETS

on average tatstock prices. \* change from

nery an attractive proposi-tion," points out Mr Angus MacMillan, Billiton-Enthoven's research manager.

Also the building of a petroleum coke plant (by volume the second most important raw material consumed in the smelting process) would make sense - given the availability of petroleum and the energy needed to process

Mr MacMillan points out that the ALBA aluminium smelter in Bahrain is currently having its capacity raised to new \$1.3bn expansion plan will add a further 230,000 tonnes by the end of 1992, making the smelter the largest in the non-communist world. On a more modest scale.

Dubai Aluminium (Dubal) is to lift its output from 160,000 tonnes at the end of last year

to 235,000 tonnes by 1992. The Egyptian smelter at Nag Hammadi is forecast to maintain annual capacity at 180,000

Mr MacMillan suggests, however, that rumoured projects for smelter developments in Umm al-Quwain and Iraq are unlikely to see the light of

"Nevertheless," he says, "the balance of opinion seems to be that both Saudi Arabia and Qatar will have at least one smelter apiece operational by

Qatar already has decided to proceed with a 240,000 tonnes-a-year smelter and "it is understood that the Saudi Arabian Government is likely to give the go-ahead for a 220,000 tonnes a year smelter at Yambu on the Red Sea," Mr MacMillan says.

#### Norway . fears US whaling sanctions

By Karen Fossii in Oslo

MRS KACI Kullman Five, MRS KACI Kullman five, Norway's new Conservative Trade Minister, sought yesterday in Washington to defend Norway's whale research programme in an effort to sway US intentions away from implementing trade sanctions

Trade relations between the two countries have grown fros-tier since the 1988 Omnibus Trade Bill and this week's meetings between Mrs Five and Mr Robert Mosbaker, her US counterpart, and other US Administration officials will focus on a wide range of trade issues from air transport access to Norway's whaling

Norway's whale research programme, implemented this year, is meant to compile data and establish guidelines for the rational conservation of minke whales in the Northeast

The International Whaling Commission, however, believes that all types of whaling should be banned, claiming that whales in general are an endangered species.

The Norwegians do not believe that there is enough

scientific data to support this claim. Pressure has been brought to bear by the US Congress on the Administration to implement trade sanctions against Norway for continuing its whale research programme. A

US law allows sanctions against countries which vio-late the IWC recommendation to ban whaling. Norway fears that a ban on US imports of its fish is at

In 1988 the US imported about NKr1.1bn (£100m) worth of Norwegian fish and fish products and for the first half of 1989 the figure was

NKr506m.
Farmed salmon offers the greatest growth potential for Norwegian fish sales in the US market and any ban on imports would be a serious blow to this industry.

In 1988 Norway caught 29 minkes (small members of the whale family) for research by whate lamily has been by the Institute of Marine Research. For this year it is considering lowering the catch to five from an originally des-The whales' meat is sold

locally for human consump-

tion and the income helps Norway maintains that it is important to continue its research programme until the end of 1992 to obtain reliable information which is fundamental to future conservation and management of Northeast Atlantic stock of minke whales.

## Quebec asbestos comes under fire

David Owen on a US ban that some see as the industry's death knell

N THE maple-strewn pas-tureland of southern Que-bec, where the cattle are plump and the villages are named after obscure saints, lies Thetford-Mines – capital of Canada's asbestos-mining

region. Thetford – pronounced "Tetford" – is a town of strip mills and glowering lead-grey slag heaps. It is predominantly French-speaking. Circumvavigating the colossal open-pit of the 180,000 tonnes-per-year Black-Lake operation, it looks like rain.

But the weather is the least of the problems currently confronting industry executives like Mr Thomas Coleman, the Black-Lake mine's operations manager. They are much more concerned about other metaphorical clouds hanging over the industry. In a nutshell, the US Envi-ronmental Protection Agency

recently decided to ban the import and most remaining uses of asbestos in the US by 1996. The ruling was prompted by increased awareness of the health-hazards associated with the strong, naturally-occurring fibre. Asbestosis and lung-cancer are among the ailments with which the inhalation of asbestos fibres has been linked. Since Canada, the world's second largest producer, supplies as much as 94 per cent of US asbestos needs, communi-

ties like Thetford will be where the effects of the ban are most Coming at the end of a

By David Blackwell

sugar are constraining con-

sumption, according to Czarni-kow, the London trader. In its latest Sugar Review, it has cut

the forecast for consumption in

1990 from 110.3m tonnes in

It has also reduced its fore

cast for world sugar output in

1989-90 by 600,000 tonnes from

its first estimate in August to

106.4m tonnes.
Estimated production in the

By John Barham in Sao Paulo

PRESIDENT JOSE Sarney

approved on Wednesday a com-plex reorganisation of Brazil's

sugar exports to meet its com-

mitments to five commodity

The market had feared that Brazil would fail to honour

export contracts this year

covering close to 500,000 tonnes

of sugar. Brazil will now begin shipping 317,000 tonnes of

August to 109.5m tonnes.

decade when asbestos use has fallen sharply for the same health-related reasons, the ban has been interpreted by some as the industry's death-knell. Within weeks, 300 workers at one Quebec mine lost their jobs. The layoffs were said, however, to be unrelated to the pulling.

ruling.
Goaded by this spectre of extinction, Canada's asbestos industry is now mobilising to fight for its life. Backed by the Federal Government and US asbestos producers, the Canadians are attempting to overturn

the han in court.
The gist of their argument is that the ruling was motivated by politics and not public safety: US-based manufactur-ers of asbestos-substitutes, they say, have brought to bear an effective lobby to help engi-

They point to a welter of scientific opinion to support their entific opinion to support their contention that present day asbestos products, such as cement and brake-linings, are acceptably safe. The EPA ruling is "rash, arbitrary and irresponsible," declared Mr Marcel Masse, former Minister of Energy, Mines and Resources, recently. "It is based on no solid scientific grounds."

In fact, as Canadian officials In fact, as Canadian officials privately admit, the industry's

main concern regarding the ruling is that it might be adopted by other countries if it were allowed to stand unchal-

LOWER WORLD stocks of Soviet Union is cut to 9.25m

lenged.

The US market has declined significantly in relative impor-

Sugar consumption 'constrained'

tonnes (down 250,000 tonnes)

"as it now seems that the promise held out by the good condition of the beet in the

ground may once again be dissipated by poor organisation once the harvest is under

way." A further adjustment to

the final figure may be needed,

In Brazil, the shortfall in domestic supplies, particularly for distillation into fuel alco-

out in the original contracts.

The complicated juggling act

then requires Brazil to cede to the traders its 93,500 tonne

queta for shipments to the US, which pays above world prices,

in exchange for a premium of

about \$60 per tonne of white

Janeiro representative of Sucres et Denress, the French

Mr Christopher Rohl, Rio de

save the review.

Brazilian export scheme approved

tance in recent years, due in part to a successful (if controversial) Canadian export drive into hitherto little exploited

areas. In 1978, fully 39 per cent of Canadian exports totalling 1.4m tonnes were shipped to the US. By 1988, this proportion had plummeted to 12 per cent of a much-diminished export tally of 685,000 tonnes.

Leading Producers in 1988 ('000 tonnes)

Soviet Union Zimbabwe ...

Japan alone is now a bigger customer than the US. Other leading importers are to be found in south-east Asia, west-ern Europe and Latin America. This drive has helped to lift both prices and output after a decade of unremitting decline. According to Mr Coleman, rates pend for the 90 or more standard grades of fibre produced at Black-Lake now range from US\$180 to \$1,400 a tonne. Canadian production edged up to 705,000 tonnes - compared with 2.56m in the Soviet Union and 230,000 in Brazil - in 1988.

The Black-Lake operation is managed by LAB Chrysotile, a limited partnership formed in 1986 and comprising both pri-vate and public sector inter-

hol, is becoming acute and is

"likely to reach a crisis during

the early months of next year."

Chinese offtake is thought to

have been checked by the Gov-

ernment once again taking control of trading. "However, in the past few weeks there has been a renewal of statements and articles from China refer-

ring to the long term nature of

her import requirements and the need to plan for meeting such deficits."

This is the last year in which

the government's Sugar and Alcohol Institute (IAA) will act

as sole agent for Brazil's sugar

exports. In future, individual exporters will deal directly with traders. On Wednesday, a government committee called for the IAA's immediate clo-

sure. The committee recom-

mended that the institute,

end of the year.

ests. Constituent companies

ests. Constituent companies are Asbestos Corporation. Lac d'Amianthe du Quebec and the provincial government owned Bell Asbestos Mines.

The open-pit is a daunting 300 metres deep, with the bottom 10 metres below sea-level. Having operated for 30 years, known reserves remain sufficient for at least another 25. As the name suggests, the mine

cient for at least another 25. As the name suggests, the mine was once the site of a lake.

Massive trucks haul 18,000 tomes of one per day towards the treatment facilities. Approximately two tonnes of waste-rock are produced per tonne of ore. According to Mr Coleman, the average oregrade is about 8.5 per cent chrysotile, the most commonly-mined form of ashestos.

The separation process is

A CONTROL OF THE PROPERTY OF

The separation process is entirely and ear-splittingly mechanical, accomplished by banks of crushers and suction machines. It is a second and accomplished the second accomplished by banks of crushers and suction machines. machines. It is a far cry from the days when the fibres were hewn out manually with sixpound cobbing hammers. A complex air-filtration system complex air-filtration system ensures that dust levels in the mill — at 10 micrograms per cubic metre — are also far below those prevalent when the cobbers held sway.

A hint of the labour militancy from that era, when a pivotal four and a-half month strike in 1949 provoked bitter clashes, does appear to persist.

clashes, does appear to persist, however. "On yout les samedis off" (Franglais for. "We want Saturdays off"), reads graffiti daubed in one of the works ele-

#### California solar power deal worth \$600m

SAN DIEGO Gas and Electric has signed a 30-year, nearly \$600m contract with privately-owned Luz International to buy electricity from a Luz Solar Power Plant, reports

Reuter.
The agreement calls for San Diego Gas to buy up to 80 megawatts of power, enough to serve 80,000 customers, begin-ning in 1994 from a Luz plant to be built in California's Mojave desert. Construction of the solar plant will begin in

the solar plant will begin in 1892 and is expected to be completed by late 1993, the company said.

The plant will be a "solar thermal" facility. Such plants generate power by using parabolic mirrors to focus the sur's best to a great table controller. heat on a steel tube containing a liquid. The liquid, heated to 785 deg F, helps to produce generate electricity. The pro-cess is less expensive than photovoltaic technology which turns sunlight directly into electricity, San Diego Gas said. The company will buy the power at rates adjusted to

.

#### WORLD COMMODITIES PRI

(Prices supplied by Amalgamated Metal Trading)

				Close	Previous.	High/Low		q
GOLD prices eased aft			Dec	742	729	741 730	Alumbia	um. 99
the morning at \$387.40	an ounce,	.a	Mar	705	706	705 699	Cash	18
fresh seven-month hig	h. It tradec	as	May	718	711	718 710 -	S mont	
high as \$388.25/\$388.7			Jul	731	725	730 725		
to breach the \$390/\$39			Sep	746	739	745 739	Copper	Grad
			Dec	769	784	769 764	Cash	17
level. Profit-taking and			Mar	789	784	788 784	_ 3 mont	ns 17
the dollar emerged in			Turnove	HT: 4341 (3	511) lots 0	f 10 tonnes	Leed (£	N
Dealers now think pric	es will hav	re to	ICCO II	ndicator p	rices (SDF	ls per tonne). Dalty 53) :10 day average	, ====1:	_
consolidate before atte	empting his	aher	price fo	r Nov 9 B	29.56 (818.	53) :10 day average	e Cash	44
levels. Aluminium pric			for Nov	10 812.04	(810.43)		3 monti	15 <b>4</b> 5
week's slow advance (			COFFE	E - Lone	lou FOX	£/tonne	: Hickel (	S per t
		-		Close	Previous	High/Low	Cash	10
Traders said the mark							- 3 month	
underpinned by specul		there	Nov	702	709	708 698		
could be a sizeable dr	op in IPAI		Jan	690	691 700	696 681 705 692	Tin (Sp	
non-Communist world	produçer s	stocks	Mar May	700	700 719	705 692 722 710	Cash	71
for September, due to			-Jul	715 732	737	741 729	3 monti	15 72
today. In contrast lead			Sep	752	755	780 748	Zinc, \$p	uchi I
						<del></del> _	Cash	14
on talk of a slowing in			LUMOVE	IT. 25U5 (2	2554) lots 0	r y exhines		
This prompted fears th			New B. C	Como del	P 83 60 162	ents per pound) for (.38). 15 day average	3 III/ORW	
from Mexico, originally			61.65 (8	7.51)	.,		Zine (5)	per tor
shipment to the US cou	ıld be dive	rted					Cash	14
to help relieve current				- Lond	M FUX	(\$ per tonne	3 month	
Europe and the Far Ea			Figur	Close	Previous	High/Low		
CALANA BILA MIG LEI EG			Mar	332.60	329.60	332.80 327.00	SPOT: 1	SETTO S
SPOT MARKETS			May	328.40	324.80	328.20 322.80	3701:1	٥/س
			Aug	321.00	317.40	320.00 315.00		
Crude of (per barrel FOS)		+ or -	Oct	309.20	305.00	309.00 303.80		
	\$16.35-6.45W	+ + 0 10	Dec	304.00	300.00	295.00	POTAT	_
Dubei	\$19,00-0.05		Mar	289.00	288.00	289.00 288.40		Clos
Bren! Blend	\$19.85-9.90v		White	Close	Previous	High/Low	Nov	138
W.T.I. (1 pm est)	\$100-g.207						- AD+	196.
OB products			Dec	399.00 396.00	398.00 394.00	399.00 396.00 395.70 392.00	May	224.
(NWE prompt delivery per to	onne CLF)	+ or -	May	403.00	401.50	403.00 402.00	Turnov	~ 60
Premium Gasofine	\$183-185		Aug	411.00	411.00	410.00 403.00	( Urilla V	ar ou (
Gas Oit	\$184-185	+1	Det	385.00	384.50	385.20		
Heavy Fuel Oil	\$96-99	-1	Dec	374 00	373.50	371.00	SOYAL	EAN,
Naphiha	\$163-165		Mar	372.00	371.00	368.00		Clos
Total Control								
Petroloum Argus Estimuses	l		Turnove	er Raw 4	585 (3222)	lots of 50 tonnes	<del></del>	
Petroleum Argue Estimeles	<u>'</u>	<del></del>	White 9	92 (1128)	1565 (3222)	,	UGC Sak	139,
Other		+ or -	White 9	92 (1128) White (FF	r ner ton	ne): Dec 2485. Ma	_ Feb	139.
	\$387.25	+3.0	White 9	92 (1128) White (FF	r ner ton	,	, Feb Apr	139.1 143. 141.
Other Gold (per tray 02)	\$387.25 533c	+3.0	White 9 Paris- 2485, M	92 (1128) White (FF lay 2540 /	r per ton, lug 2600. (	ne): Dec 2485, Ma Det 2450, Dec 2365.	, Feb Apr	139.1 143. 141.
Other	\$387.25 533c \$495.50	+3.0 +8 +3.95	White 9 Paris- 2485, M	92 (1128) White (FF lay 2540 /	r per ton lug 2500. C	ne): Dec 2485, Mai let 2450, Dec 2385. \$/barre	, Feb Apr	139.1 143. 141.
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Other Gold (per troy oz) Silver (per troy oz) Pialintum (per troy oz) Palladium (per troy oz) Aluminium (free market)	\$387.25 533c \$495.50 \$137.35 \$1785	+3.0 +8 +3.95 +0.85	White 9 Paris- 2485, M	92 (1128) White (FF lay 2540 /	r per toni lug 2600. ( Ple e Previo 18.77	ne): Dec 2485, Mai. lct 2450, Dec 2365. \$/berre us High/Low 19 01 18.92 18.62 18.65	Feb Apr Tumow	139.1 143.1 141.5 or 343
Other  Gold (per troy oz) Silver (per troy oz) Piallium (per troy oz) Palladium (per troy oz) Aluminium (tree market) Cooper (US Producer)	\$387.25 533c \$495.50 \$137.35 \$1785 115-124c	+3.0 +8 +3.95 +0.85	White 9 Parls 2485, M CRUDE Dec Jan Feb	92 (1128) White (FF by 2540 / Close 19.00 18.61	Plex Previo	ne): Dec 2485, Mai lot 2450, Dec 2385. \$/barye us High/Low 19 01 18.92	FREE PLANT	138.1 143.1 141.5 F 343 Clos
Gold (per troy 02)\$ Silver (per troy 02)\$ Palladium (per troy 02) Palladium (per troy 02) Aluminium (free market) Copper (US Producer) Lead (US Producer)	\$387.25 533c \$495.50 \$137.35 \$1785	+3.0 +8 +3.95 +0.85 +10 +2.1	White 9 Parls 2485, M CRUDE Dec Jen	92 (1128) White (FF ley 2540 / Close 19.00 18.61	Plex Previo	ne): Dec 2485, Mai. lct 2450, Dec 2365. \$/berre us High/Low 19 01 18.92 18.62 18.65	FREIGH Nov Dag	139.1 143.1 141.1 147.7 1695 1695
Other  Gold (per troy oz)  Silver (per troy oz)  Platinum (per troy oz)  Aluminum (per troy oz)  Aluminum (tree market)  Copper (US Producer)  Lead (US Producer)  Nickel (free market)	\$387.25 \$332 \$495.50 \$137.35 \$1785 115-124c 38.0c 468c	+3.0 +8 +3.95 +0.85 +10 +2.1 -7 -0.08	White 9 Paris- 2485, M CRUDE Dec Jan Feb JPE Ind	92 (1128) White (FF lay 2540 A Close 19.00 18.61 18.30 ea 18.81	Piz.  e Previo 18.77 18.45 1 18.21 18.20	ne): Dec 2485, Mai. lct 2450, Dec 2365. \$/berre us High/Low 19 01 18.92 18.62 18.65	FREIGH Nov	139,143,141,141,141,141,141,141,141,141,141
Gither Gold (per troy oz) Silver (per troy oz) Platinum (per troy oz) Platinum (per troy oz) Aluminum (free market) Copper (US Producer) Lead (US Producer) Nickel (free market) Tin (Kuela Lumpur market) Tin (Kuela Lumpur market) Tin (Kuela Lumpur market)	\$387.25 \$33c \$495.50 \$137.35 \$1785 \$1785 115-124c 38.0c 488c 19.33c 331.5c	+3.0 +8 +3.95 +0.85 +10 +2.1	White 9 Paris- 2485, M CRUDE Dec Jan Feb IPE Ind	92 (1128) White (FF lay 2540 / Close 19.00 18.61 18.30 ea 18.81	Piz.  e Previo 18.77 18.45 1 18.21 18.20	ne): Dec 2485, Ma Dct 2450, Dec 2385. S/berre US High/Low 19 01 18.92 18.62 18.55 18.30 18.28	FRESCH FRESCH Nov Date Apr	138.1 143.1 141.5 or 343 OT PU Clos 1885 1887 1700
Other Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Aluminium (tree market) Copper (US Producer) Nickel (tree market) Tin (Kuela Lumpur market)	\$387.25 \$33c \$495.50 \$137.35 \$1785 115-124c 38.0c 488c 19.33c	+3.0 +8 +3.95 +0.85 +10 +2.1 -7 -0.08	White 9 Paris- 2485, M CRUDE Dec Jan Feb JPE Ind	92 (1128) White (FF lay 2540 / Close 19.00 18.61 18.30 ex 18.81 11.436   L - 1PE	r per ton, lug 2600. ( PE e Previo 18.77 18 46 18.21 18.20 (10150)	ne): Dec 2485, Ma lot 2450, Dec 2385. S/barro us High/Low 19 01 18.32 18.52 18.55 18.30 18.28	FRESCH FRESCH Nov Dac Jan Apr Apr Aut Oct	138.1 143.2 141.2 141.2 1695 1695 1695 1697 1700 1410
Gither Gold (per troy oz) Salver (per troy oz) Platinum (per troy oz) Paltadium (per troy oz) Aluminum (free market) Copper (US Producer) Lead (US Producer) Nickel (free market) Tim (Kuela Lurripur market) Tim (Kuela Lurripur market) Zinc (US Prime Western)	\$387.25 \$33c \$495.50 \$137.35 \$1785 115-124c 38.0c 488c 18.33r 331.5c 783 <sub>4</sub> c	+3.0 +8 +3.95 +0.85 +10 +2.3 -7 -0.08 -2.5	White 9 Paris- 2485, M CRUDE  Dec Jen Feb IPE Ind Turnow GAS Of	92 (1128) White (FF lay 2540 / Close 19.00 18.61 18.30 ea 18.81	Piz.  e Previo 18.77 18.45 1 18.21 18.20	ne): Dec 2485, Ma lot 2450, Dec 2385. S/barve us High/Low 19 01 18.32 18.82 18.55 18.30 18.26 S/borns High/Low	FRESCO Nov Dec	138.1 143.1 141.5 or 343 07 PU Closs 1695 1695 1700 1410
Other Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Aluminium (tree market) Copper (US Producer) Lead (US Producer) Nickel (tree market) Tin (Klest Lumpur market) Tin (Klest York) Zinc (US Prime Western) Cattle (live weighti)	\$387.25 \$385 \$495.50 \$137.35 \$1765 115-124c 38.0c 488c 19.33c 38.15 78.3c 115.43p	+3.0 +8 +3.95 +0.85 +10 +2.1 -7 -0.08	White 9 Paris- 2485, M CRUDE Dec Jan Feb IPE Ind	92 (1128) White (FF lay 2540 / Close 19.00 18.61 18.30 ex 18.81 11.436   L - 1PE	r per ton, lug 2500. C PE Previous 18.77 18.46 18.21 18.90 (10150) Previous 178.25	ne): Dec 2485, Ma lot 2450, Dec 2385. Sfbarre us High/Low 19 01 18.92 18.62 18.55 18.30 18.28 Sfbarre High/Low 180.50 175.75	FREIGH Nov Dec Jan Apr Jul BF)	138.1 143.1 141.1 141.1 1685 1685 1897 1700 1410 1530 1664
Gither  Gold (per troy oz)  Silver (per troy oz)  Silver (per troy oz)  Palladium (per troy oz)  Aluminium (free market)  Copper (US Producer)  Lead (US Producer)  Nickel (free market)  Tin (Kleek Lumper market)  Tin (Kleek Lumper market)  Zinc (US Prime Western)  Cattle (live weight)  Sheep (dead weight)	\$387.25 \$336.50 \$137.35 \$1785 \$1785 \$115-124c \$8.0c \$488c \$18.33c \$331.5c 78.3c \$15.43p \$208.19p	+3.0 +8 +3.95 +0.85 +10 +2.1 -7 -0.08 -2.5 +14.4*	White 9 Paris- 2485, W CRUDE Dec Jan Feb IPE Ind Turnove GAS Ci	92 (1128) White (FF lay 2540 / Close 19.00 18.61 18.30 ea 18.81 11.11436 [L 1PE Close 178.00 174.75	r per ton; ug 2500. (PE e Previo 18.77 18.45 18.21 18.90 (10150) Previous 178.25 174.26	ne): Dec 2485, Ma lot 2450, Dec 2385. \$/barre us High/Low 19 01 18.32 18.82 18.55 18.30 18.26 \$/bonne High/Low 180.50 178.75 178.00 174.50	FRESCH FRESCH Nov Dac Jan Apr Apr Aut Oct	138.1 143.1 141.1 141.1 1685 1685 1897 1700 1410 1530 1664
Gither  Gold (per troy oz)  Silver (per troy oz)  Piallinum (per troy oz)  Piallinum (per troy oz)  Aluminium (free market)  Copper (US Producer)  Lead (US Producer)  Nickel (free market)  Tim (Kleel Lumper market)  Tim (Kleel Lumper market)  Zinc (US Prime Western)  Cattle (five weight)  Phys (five weight)  Phys (five weight)	\$387.25 \$335 \$495.50 \$137.35 \$1785 115-124c 38.0c 488c 19.33s 331.5c 78.4c 115.4sp 96.52p	+3.0 +8 +3.95 +0.85 +10 +2.1 -7 -0.08 -2.5 +14.4* -4.19*	White 9 Paris 2487 2487 CRUDE  Dec Jan Feb IPE Ind Turnow GAS O	99 (1128) White (FF lay 2540 # Close 19.00 18.61 18.30 68.18.81 31: 11436 14 1PE Close 178.00 174.75 170.75	Per toni lug 2500. ( Per Previous 18.77 18.45 18.21 18.90 (10150) Previous 178.25 174.25 170.25	ne): Dec 2485, Ma Det 2450, Dec 2385. \$/baryo us High/Low 19 01 18.32 18.52 18.55 18.30 18.28 Fligh/Low 180.50 178.75 171.75 174.50 171.75 170.50	Feb Apr Turnows  FRESC:  Nov Dac Jan Apr Jul Oct BF)  Turnows	139.1 143.1 141.1 147.7 1695 1695 1695 1695 1695 1700 1410 1530 1654
Other  Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Aluminium (tree market) Copper (US Producer) Nickel (free market) Tin (Kleet Vork) Tin (Kleet Vork) Zinc (US Prime Western) Cattle (live weighti† Sheep (dead weight)† Pigs (live weight)† London daily sugar (raw)	\$387.25 \$335.50 \$137.35 \$1765 \$1765 \$1765 \$15.124c \$8.0c 488c \$8.0c \$15.124c	+3.0 +3.95 +3.95 +0.85 +10 +2.1 -7 -0.08 -2.5 +14.4* -4.19* +1.4	White 9 Paris 2485, M CRUDE Dec Jan Feb IPE Ind Turnow CAS Of	92 (1129) White (FF tay 2540) 12 (9tt - 11 Close 19.00 18.01 18.31 11436 11 - 1PE Close 174.75 170.75	r per toni ug 2500. (PE e Previous 18.77 18.45 18.21 18.90 (10150) Previous 178.25 174.25 170.25 165.50	ne): Dec 2485, Ma 1ct 2450, Dec 2385. \$/barre us High/Low 19 01 18.32 18.22 18.55 18.30 18.28 \$/barre High/Low 180.50 178.75 178.00 174.50 171.75 170.50 188.75 185.75	FREIGH Nov Dec Jan Apr Jul BF)	139,1 143,1 141,1 141,1 141,1 1695 1897 1700 1410 1530 1654 244
Gither  Gold (per troy cz)  Silver (per troy cz)  Silver (per troy cz)  Palladium (per troy cz)  Palladium (per troy cz)  Aluminium (free market)  Copper (US Producer)  Nickel (free market)  Tin (Kuel Carre (Western)  Castle (five weight)†  Sheep (dead weight)†  Pigs (five weight)†  London daily sugar (raw)  London daily sugar (white)	\$387.25 \$335 \$495.50 \$137.35 \$1765 115-124c 38.0c 488c 19.33k 331.5c 783c 208.19p 95.52p \$337.0v \$402.6v	+3.0 +8 +3.95 +0.85 +10.85 -7 -0.08 -2.5 +14.4 -4.19 +1.4 -1.0	White 8 Paris 2485, M CRUDE Dec Jen Peb IPE Ind Turnow GAS Of	92 (1128) Way 2540 / 1 QHL — 11 19,00 18,61 19,00 18,61 18,81 11,436 11 - 1PE Close 174,75 190,75 190,75 191,75	PE Previous 178.25 18.77 18.77 18.46 18.21 18.80 (10150) Previous 178.25 174.25 175.25 165.50 181.00	ne): Dec 2485, Ma Dct 2450, Dec 2385. \$/baryo 19 01 18.32 18.82 18.55 18.30 18.28 \$/baryo #Bgh/Low 180.50 178.75 178.00 174.75 171.75 170.50 166.75 165.75 162.50 161.00	Feb Apr Turnows  FRESC:  Nov Dac Jan Apr Jul Oct BF)  Turnows	139.1 143.1 141.1 147.7 1695 1695 1695 1695 1700 1410 1530 1654
Other  Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Aluminium (tree market) Copper (US Producer) Nickel (free market) Tin (Kleet Vork) Tin (Kleet Vork) Zinc (US Prime Western) Cattle (live weighti† Sheep (dead weight)† Pigs (live weight)† London daily sugar (raw)	\$387.25 \$337.25 \$337.35 \$1785 \$1785 \$1785 \$1785 \$15.124c \$8.0c \$482c \$19.34 \$31.5c \$783.c \$15.49p \$05.52p \$5.52p \$402.6v \$351.0	+3.0 +8 +3.95 +0.85 +10 +2.3 -7 -0.08 -2.5 +14.4 +1.4 +1.4 +0.5	White 9 Paris, M CRUDE  Dec Jan Feb Dec Jan Fob Mar Apr May	92 (1128) White (Fr lay 2540 A  Cote 19.00 18.61 18.33 18.41 18.41 17.11436 18.75 19.00 174.75 191.25 195.75	r per toni ug 2500. (PE e Previous 18.77 18.45 18.21 18.90 (10150) Previous 178.25 174.25 170.25 165.50	ne): Dec 2485, Ma 1ct 2450, Dec 2385. S/barro 19 01 18.32 18.62 18.55 18.30 18.28 S/barro 180.50 178.75 175.00 174.50 177.50 174.50 177.50 165.75 162.50 161.00 159.50	Free Apr Turnove  Free Qui  Nov Dec Jain Apr Aul Oct BF) Turnove  GRAIN: Wheat	139,1 143,1 141,1 141,1 141,1 1695 1695 1697 1700 1410 1530 1654 1654 17 244
Other  Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Aluminium (tree market) Copper (US Producer) Nickel (free market) Tin (Klee York) Tin (Klee York) Tin (New York) Tin (New York) Tin (New York) Tin (New Hostern) Cattle (live weightif) Sheep (dead weightif) Pigs (live weightif) London daily sugar (white) London daily sugar (white) Tate and Lyle suport price Barloy (English teed)	\$387.25 \$337.35 \$17.35 \$17.65 \$17.65 \$17.65 \$15.1242 \$8.00 \$488c \$15.1242 \$3.15 \$31.50 \$78.34 \$115.49p \$208.19p \$5.52p \$373.0v \$402.6v \$373.0v \$402.6v \$351.00 \$112.5	+3.0 +8 +3.95 +0.85 +10 +2.1 -7 -0.08 -2.5 -4.25' +14.4' +1.4 +1.4 +1.0 +0.5 +0.5	White B Paris Paris CRADE Dec Jan Feb JEE Ind Turnow CAS Of Mar Apr May Aug	92 (1128) White (FF by 2540 A  Cose 19.00 18.61 18.33 ca 18.81 11436 (L - #PE Close 174.75 174.75 161.25 159.60	Per tonic per to	Ne): Dec 2485, Ma 1ct 2450, Dec 2385. S/barre 19 01 18.32 18.82 18.55 18.30 18.26 S/barre High/Low 180.50 178.75 173.00 174.50 171.75 170.50 187.76 185.75 162.50 161.00 169.50 157.00	FREEDING TURNOVA DOSC JAIN ADV JUINOVA GRADIE Wheet Nov	139,1 143,1 141,1 141,1 141,1 1695 1695 1695 1695 1700 1410 1530 1410 1530 1654 1700 1410 1654 1665 1665 1665 1665 1665 1665 1665
Gitter Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Aluminium (free market) Copper (US Producer) Nickel (free market) Tin (Kuele Lurtour market) Tin (Kuele Lurtour market) Tin (New York) Zinc (US Prime Western) Cattle (five weight)† Sheep (dead weight)† Plas (flve weight)† London daily sugar (white) Tate and Lyle suport price Barloy (English teed) Maize (fUS No. 3 yellow)	\$387.25 \$335 \$495.50 \$137.35 \$1785 115-124c 38.0c 488c 19.33k 331.5c 783c 208.18p 96.52p \$373.0v \$402.6v \$351.0 \$125.5 \$125.25	+3.0 +8 +3.95 +0.85 +10 +2.3 -7 -0.08 -2.5 +14.4 +1.4 +1.4 +0.5	White B Paris Paris Dec Jan Feb JE Introve GAS Of Mar Apr May Aug	92 (1128) White (FF by 2540 A  Cose 19.00 18.61 18.33 ca 18.81 11436 (L - #PE Close 174.75 174.75 161.25 159.60	Per tonic per to	ne): Dec 2485, Ma 1ct 2450, Dec 2385. S/barro 19 01 18.32 18.62 18.55 18.30 18.28 S/barro 180.50 178.75 175.00 174.50 177.50 174.50 177.50 165.75 162.50 161.00 159.50	FRESCI Nov Date Jain Abr Jain Abr Jain Oct BF) Turnove Wheat Nov Jan Mar	139.1 143.1 141.1 141.1 141.1 141.1 163.1
Gither  Gold (per troy cz)  Silver (per troy cz)  Silver (per troy cz)  Palladium (per troy cz)  Palladium (per troy cz)  Aluminium (free market) Copper (US Producer) Nickel (free market) Tin (Kuele Lumpur market) Tatte (US Prime Western)  Cattle (ive weight)  London daily sugar (raw) London daily sugar (raw) London daily sugar (raw) Tate and Lyle suport price	\$387.25 \$337.35 \$17.35 \$17.65 \$17.65 \$17.65 \$15.1242 \$8.00 \$488c \$15.1242 \$3.15 \$31.50 \$78.34 \$115.49p \$208.19p \$5.52p \$373.0v \$402.6v \$373.0v \$402.6v \$351.00 \$112.5	+3.0 +8 +3.95 +0.85 +10 +2.1 -7 -0.08 -2.5 -4.25' +14.4' +1.4 +1.4 +1.0 +0.5 +0.5	White B Paris Paris Dec Jan Feb JE Introve GAS Of Mar Apr May Aug	92 (1128) White (FF by 2540 A  Cose 19.00 18.61 18.33 ca 18.81 11436 (L - #PE Close 174.75 174.75 161.25 159.60	Per tonic per to	Ne): Dec 2485, Ma 1ct 2450, Dec 2385. S/barre 19 01 18.32 18.82 18.55 18.30 18.26 S/barre High/Low 180.50 178.75 173.00 174.50 171.75 170.50 187.76 185.75 162.50 161.00 169.50 157.00	FREIGH Nov Dag Juli Dag Jan May May	139.1 143.1 141.1 141.1 169.7 169.5 189.7 17.0 153.0 166.4 17.2 112.1 118.1 119.1
Other  Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Palladium (free market) Copper (US Producer) Lead (US Producer) Lead (US Producer) Lead (US Producer) Lead (US Prime Western) Cattle (live weight) State (live weight) State (live weight) London daily sugar (raw)	\$387.25 \$337.25 \$495.50 \$137.35 \$1785 \$1785 \$1785 \$135 \$30.0 \$482c \$18.39 \$31.5c \$18.39 \$31.5c \$15.49p \$208.19p \$5.52p \$402.6v \$351.0 \$112.5 \$123.5 \$123.5 \$125.5 \$125.5 \$125.5 \$125.5 \$125.5 \$125.5 \$125.5 \$125.5	+3.0 +8 +3.95 +3.95 +10.85 +10.6 -2.5 -4.25 +14.4 -4.19 +1.4 +1.4 +0.5 +0.5 -0.25	White B Paris Paris Dec Jan Feb JE Introve GAS Of Mar Apr May Aug	92 (1128) White (FF by 2540 A  Cose 19.00 18.61 18.33 ca 18.81 11436 (L - #PE Close 174.75 174.75 161.25 159.60	Per tonic per to	Ne): Dec 2485, Ma 1ct 2450, Dec 2385. S/barre 19 01 18.32 18.82 18.55 18.30 18.26 S/barre High/Low 180.50 178.75 173.00 174.50 171.75 170.50 187.76 185.75 162.50 161.00 169.50 157.00	FREEDING TURNOM DAG Jain Aur Junov Unice Jain Aur Junov Unice Jain Aur Junov Unice U	138.1 143.1 141.1 141.1 141.1 1685 1685 1685 1685 1700 1410 1534 1684 1702 1703 1703 1703 1703 1703 1703 1703 1703
Other  Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Aluminium (tree market) Copper (US Producer) Lead (US Producer) Lead (US Producer) Nickel (tree market) Tin (Kleel Lumpur market) Tin (Kleel Copper market) London daily sugar (raw)	\$387.25 \$337.25 \$495.50 \$137.35 \$1785 \$1785 \$1785 \$1785 \$15.124c \$3.0c \$482c \$18.39 \$31.5c \$15.124c \$19.136 \$208.19p \$5.52p \$402.6v \$351.0 \$112.5 \$12.5 \$12.5 \$12.5 \$12.5 \$12.5 \$13.	+3.0 +8 +3.95 +0.85 +10 +2.1 -7 -0.08 -2.5 -4.25' +14.4' +1.4 +1.4 +1.0 +0.5 +0.5	White B Paris Paris Dec Jan Feb JE Introve GAS Of Mar Apr May Aug	92 (1128) White (FF by 2540 A  Cose 19.00 18.61 18.33 ca 18.81 11436 (L - #PE Close 174.75 174.75 161.25 159.60	Per tonic per to	Ne): Dec 2485, Ma 1ct 2450, Dec 2385. S/barre 19 01 18.32 18.82 18.55 18.30 18.26 S/barre High/Low 180.50 178.75 173.00 174.50 171.75 170.50 187.76 185.75 162.50 161.00 169.50 157.00	FREEDING TURNOM DAG Jain Aur Jain Turnom Tur	138,143,141,134,141,141,141,141,141,141,141
Other  Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Silver (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Aluminium (tree market) Copper (US Producer) Lead (US Producer) Lead (US Producer) Nickel (free market) Tin (New York) Tin (New York) Tin (New York) Tin (New York) Tin (New Hostern) Cattle (five weightif) Sheep (dead weight) Pigs (five weightif) London daily sugar (raw) London daily sugar (white) Tate and Lyle suport price Barloy (English teed) Maize (US No. 3 yellow) Wheat (US Dark Northern) Rubber (spot) Pubber (spot) Pubber (spot)	\$387.25 \$337.35 \$1765 \$1765 \$1765 \$1765 \$1765 \$1765 \$1765 \$18.33 \$31.50 783ac 115.43p 208.19p 95.52p \$373.0v \$402.6v \$373.0v \$402.6v \$351.00 \$12.55 \$127.5 \$58.50p \$82.50p \$92.50p	+30 +8 +3.95 +0.85 +10 +2.3 -7 -4.08 -2.5 +14.4 +1.4 +1.4 +0.5 +0.5 -0.25	White B Paris Paris Dec Jan Feb JE Introve GAS Of Mar Apr May Aug	92 (1128) White (FF by 2540 A  Cose 19.00 18.61 18.33 ca 18.81 11436 (L - #PE Close 174.75 174.75 161.25 159.60	Per tonic per to	Ne): Dec 2485, Ma 1ct 2450, Dec 2385. S/barre 19 01 18.32 18.82 18.55 18.30 18.26 S/barre High/Low 180.50 178.75 173.00 174.50 171.75 170.50 187.76 185.75 162.50 161.00 169.50 157.00	FREIGH Nov Dag Juli Dag Jan May May	138.1 143.1 141.1 141.1 141.1 1685 1685 1685 1685 1700 1410 1534 1684 1702 1703 1703 1703 1703 1703 1703 1703 1703
Other  Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Silver (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Aluminium (tree market) Copper (US Producer) Lead (US Producer) Lead (US Producer) Nickel (free market) Tin (New York) Tin (New York) Tin (New York) Tin (New York) Tin (New Hostern) Cattle (five weightif) Sheep (dead weight) Pigs (five weightif) London daily sugar (raw) London daily sugar (white) Tate and Lyle suport price Barloy (English teed) Maize (US No. 3 yellow) Wheat (US Dark Northern) Rubber (spot) Pubber (spot) Pubber (spot)	\$387.25 \$337.35 \$1765 \$1765 \$1765 \$1765 \$1765 \$1765 \$1765 \$18.33 \$31.50 783ac 115.43p 208.19p 95.52p \$373.0v \$402.6v \$373.0v \$402.6v \$351.00 \$12.55 \$127.5 \$58.50p \$82.50p \$92.50p	+30 +8 +3.95 +3.95 +10.85 +10 +2.2 -7 -4.08 -2.5 +14.4 +1.4 +1.4 +0.5 +0.25 -0.50	Parise Pa	92 (128) White (Fr lay 2540 # COS  19.00 19.00 18.30 18.31 18.31 17: 11436 18 1992 Close 19.00 174.75 170.75 181.25 181.25 181.25 181.25 181.25 181.25 181.25 181.25 181.25 181.25 181.25	Per tonus 2500. (Per Previous 18.77 18.46 18.21 18.20 (10150)  Previous 17.78.25 174.25 177.025 165.50 189.00 36888 3568 0	ne): Dec 2485, Ma lot 2450, Dec 2385. Sfbarre IS 01 18.32 18.62 18.55 18.30 18.28 Sfbarre Hight/Low 180.50 178.75 178.00 174.50 171.75 170.50 181.50 161.00 162.50 161.00 163.50 157.00 1 100 tomnes	Feb Apr Turnow  Nov Dag Jain Apr Jul Oct Dag GRAIM  GRAIM  Wheet Nov Jen May Jun Sep Nov	139,141.3 141.3 141.3 141.3 141.3 141.3 141.3 141.3 1685 1697 1700 1500 1410 1500 1664 172.4 192.3 19.3 192.3 192.3 192.3 192.3 192.3 192.3 192.3 192.3
Other  Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Aluminium (tree market) Copper (US Producer) Lead (US Producer) Lead (US Producer) I'm (Kuel (tree market) Tin (Klee York) Tin (Klee York) Tin (Klee York) Tin (Klee Weight) Tin (New York) Cattle (live weight) Pigs (live weight) London daily sugar (raw) London daily sugar (white) Tate and Lyle suport price Barloy (English teed) Malze (US No. 3 yellow) Wheat (US Dark Northern) Rubber (spot) Rubber (spot) Rubber (Jen) Rubber (KL RSS No 1 Dec	\$387.25 \$335.50 \$137.35 \$1765 \$1765 \$1765 \$15.1242 \$8.00 \$488c \$15.1242 \$3.00 \$31.50 \$78.34 \$115.49p \$208.19p \$5.52p \$5.52p \$373.0v \$402.6v \$235.00 \$12.55 \$127.55 \$5.50p \$225.5m	+30 +8 +385 +085 +10 +2½ -7 -4.08 -25 -4.25 +14.4 +1.4 +1.4 +0.5 +0.5 -0.50 +0.5 +0.5	White 8 Paris- Paris- Dec Jan Feb Jen GAS Ol  Turnow Turnow Turnow Turnow	92 (128) White (File) lay 2540 / GUL — II  Close 19.00 18.30 18.31 37: 11436 IL — IPE Close 178.05 174.75 170.75 161.25 159.60 157.00 157.00 157.00 157.00	Per tonue 2500. (Per tonue 2500. (Per tonue 2500. (Per tonue 18.77 18.46 18.21 18.20 (10150)  Previous 178.25 170.25 165.50 181.00 185.	ne): Dec 2485, Ma 1ct 2450, Dec 2385. S/barre 19 01 18.32 18.62 18.55 18.30 18.28 S/barre FB0.50 178.75 175.00 174.50 171.75 170.50 187.00 1 100 tannes	FREEDING TURNOM DAG Jain Aur Jain Turnom Tur	138,143,141,134,141,141,141,141,141,141,141
Other  Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Pilalitum (per troy oz) Aluminium (free market) Copper (US Producer) Lead (US Producer) Lead (US Producer) Lead (US Producer) Line (Kee Lumpur market) Tin (Kuela Lumpur	\$387.25 \$337.25 \$335.50 \$137.35 \$1765 \$1765 \$15.124c \$3.0c \$482c \$15.3k \$31.5c \$173.k \$31.5c \$173.k \$31.5c \$173.k \$31.5c \$175.2p \$402.6v \$3173.0v \$402.6v \$40	+30 +8 +385 +085 +10 +2½ -208 -25 -426' +144' +14 +14 +0.5 +0.5 -0.59	White 8 Paris- Paris- 2485, M CRAUDE  Jan Feb JE Ind Turnow  CAS Of  Mary Aug  Turnow  FFRUIT  It's a	92 (128) White (Fr lay 2540 / 1901	Per tonue 2500. (Per 2	No): Dec 2485, Ma Det 2450, Dec 2385. S/barre 19 01 18.32 18.82 18.55 18.30 18.26 S/borne High/Low 180.50 178.75 178.00 174.50 171.75 170.50 186.75 185.75 162.50 161.00 159.50 1 100 tonnes	Feb Apr Turnove  France  Nov Dec Jain Apr Juin Oct BF) Turnove  GRAINE Wheat Nov Jen Mar Jun Sep Nov  Barley Nov	138,1 143,1 141,1 141,1 161,1
Other  Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Silver (per troy oz) Pilalitum (per troy oz) Pilalitum (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Aluminium (free market) Copper (LiS Producer) Lead (US Producer) Lead (US Producer) Lead (US Producer) Lin (Ree York) Tin (Kuels Lumpur market) Tin (Kuels Lumpur market) Tin (Nee York) Cattle (five weight) Plags (Prime Western) Cattle (five weight) Plags (Prime weight) Landon daily sugar (raw) Landon daily sugar (white) Landon daily sugar (white) Tate and Lyle suport price Barloy (English teed) Maize (US No. 3 yellow) Wheat (US Dark Northern) Rubber (spot) Rubber (Boc) Rubber (M. RSS No 1 Dec Coconut oil (Philippines) Falm Oil (Mallaystan) Falm (Mallaystan) Falm (Mallaystan) Falm Oil (Mallaystan)	\$387.25 \$337.35 \$1765 \$1765 \$1765 \$1765 \$1765 \$1765 \$1755 \$18.30 \$31.50 78.30 \$31.50 78.30 \$31.50 \$486 \$19.30 \$402.6v \$312.5v \$122.5 \$122.	+30 +8 +385 +085 +10 +2½ -7 -4.08 -25 -4.25 +14.4 +1.4 +1.4 +0.5 +0.5 -0.50 +0.5 +0.5	White 9 Paris- Paris- Dec Jan Peb IPE Ind Turnow GAS Of Turnow Turnow Turnow Turnow	92 (1128) White (Free lay 2540 # 19.00 19.	PE Previous 18.77 18.46 18.21 18.20 18.25 174.25 176.50 18.0	ne): Dec 2485, Ma lot 2450, Dec 2385. S/berre 19 01 18.92 18.62 18.55 18.30 18.28 S/torne High/Low 180.50 178.75 178.00 174.50 171.75 170.50 182.75 185.75 192.50 181.00 189.50 157.00 1 100 tornes	Feb Apr Turnow  Turnow  FRESC:  FRESC:	138.1 143.1 141.2 161.5 1685 1685 1687 1685 1686 1686 1686 17 244 112.2 112.2 112.2 104.1 107.1 107.1
Gitter Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Palladium (per troy oz) Aluminium (tree market) Copper (US Producer) Nickel (tree market) Tin (Kuela Lumpur market) Tin (Kuela Lumpur market) Tin (Kuela Lumpur market) Tin (Kuela Lumpur market) Tin (New York) Zinc (US Prime Western) Castle (live weight)† Pigs (Ilive weight)† Pigs (Iliv	\$387.25 \$337.25 \$335.50 \$137.35 \$1765 \$1765 \$15.124c \$3.0c \$482c \$15.3k \$31.5c \$173.k \$31.5c \$173.k \$31.5c \$173.k \$31.5c \$175.2p \$402.6v \$3173.0v \$402.6v \$40	+30 +8 +385 +085 +10 +2½ -7 -4.08 -25 -4.25 +14.4 +1.4 +1.4 +0.5 +0.5 -0.50 +0.5 +0.5	White 8 Paris- Paris- Dec Jan Peb Jen Turnow GAS Of Turnow Turnow Turnow Turnow	92 (1128) White (Fr lay 2540 / 1904 - 11 19.00 18.61 18.31 18.31 17.11436 1811436 19	Per tonue 2500. (Per 2	S/barre  S/barre  S/barre  S/barre  S/barre  S/barre  S/barre  19 01 18.32  18.22 18.52 18.52  18.20 18.28  S/barre  18.20 18.26  18.20 18.26  175.00 174.50  177.00 174.50  157.00  1 100 ismnes	Feb Apr Turnove  Nov Dec Jain Apr Juinove  GRAINE Wheat Nov Jen Nov Berley Nov Jen Nov Jen Nov Jen Nov	138,143,141,141,141,141,141,141,141,141,141
Gitter Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Palladium (per troy oz) Aluminium (tree market) Copper (US Producer) Nickel (tree market) Tin (Kuela Lumpur market) Tin (Kuela Lumpur market) Tin (Kuela Lumpur market) Tin (Kuela Lumpur market) Tin (New York) Zinc (US Prime Western) Castle (live weight)† Pigs (Ilive weight)† Pigs (Iliv	\$387.25 \$337.35 \$1765 \$17765 \$17765 \$15.124c \$3.0c 468c \$31.5c 78.3c \$115.124c \$3.0c \$200.19p \$200.19p \$200.19p \$402.5v \$3173.0v \$3173.0v \$3170.0v	+30 +8 +395 +395 +085 +10 +23 -408 -25 -426 +144 -13 +05 -050 -050 -050 -050 -050 -050 -055	White 8 Paris- Paris- Dec Jan Peb Jen Lurnow GAS Of Turnow Turnow Turnow Turnow Turnow Turnow	92 (1128) White (Fr lay 2540 / 1904 - 11 1900 18.61 18.31 18	Per tonue 2500. (Per 2	Ing): Dec 2485, Ma Ict 2450, Dec 2385. S/barre Ing): 18.32 18.22 18.22 18.22 18.22 18.22 18.23 18.24 18.25 18.30 18.26 175.00 171.75 170.50 180.75 162.50 161.00 169.50 169.50 171.00 100 tomnes	Free Apr Turnove  Free Apr Turnove  Nov Dac Jan Apr Jul Oct BF) Turnove  GRADE Wheat Nov Jan Mar Jan Mar Jan Mar Jan Mar Jan Mar Jan Mar May Jan Mar May Jan May	138,143,141,141,141,141,141,141,141,141,141
Other  Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Silver (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Aluminium (tree market) Copper (US Producer) Nickel (US Producer) Nickel (US Producer) Nickel (Ive market) Tin (Kuela Lurtopur market) Tin (Kuela Lurtopur market) Tin (New York) Zinc (US Prime Western) Cattle (live weight) Sheep (dead weight) Pigs (live weight) London daily sugar (white) London daily sugar (white) Tate and Lyle export price Barlay (English seed) Maize (US No. 3 yellow) Wheat (US Dark Northern) Rubber (spot) Pulber (spot) Rubber (MR RSS No 1 Dec Coconut oil (Philippines) Soyabeans (US) Cotton "A" Index	\$387.25 \$387.25 \$337.35 \$1765 \$1765 \$1765 \$1765 \$1765 \$18.10 \$15.124c \$19.134 \$31.5c \$18.10 \$19.134 \$31.5c \$18.10 \$19.20 \$19.20 \$10.	+30 +8 +385 +085 +10 +2½ -7 -4.08 -25 -4.25 +14.4 +1.4 +1.4 +0.5 +0.5 -0.50 +0.5 +0.5	PRIME S Paris- P	92 (1128) White (Free lay 2540 / Free lay 2540	PE Previous 18.77 18.46 18.21 18.20 18.25 17.425 17.425 17.425 17.425 17.425 17.425 17.425 17.425 17.425 17.425 18.900 18	ne): Dec 2485, Ma Det 2450, Dec 2385. Sfbarre IS C1 18.52 18.62 18.55 18.30 18.28 Sfbrare 180.50 176.75 176.00 174.50 171.75 170.50 171.75 170.50 185.75 165.75 192.50 161.00 189.50 187.00 190.100 ignnes	Feb Apr Turnow  Nov Dec Jan Apr Jul Oct BF; Turnow  Wheat Nov Jan Mar May Jun Sep Nov Barley Nov Jan Mar May Jun Sep Nov Har May Jun Turnow  Turnow	138,143,141,141,141,141,141,141,141,141,141
Gitter Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Palladium (per troy oz) Aluminium (tree market) Copper (US Producer) Nickel (tree market) Tin (Kuela Lumpur market) Tin (Kuela Lumpur market) Tin (Kuela Lumpur market) Tin (Kuela Lumpur market) Tin (New York) Zinc (US Prime Western) Castle (live weight)† Pigs (Ilive weight)† Pigs (Iliv	\$387.25 \$337.35 \$1765 \$17765 \$17765 \$15.124c \$3.0c 468c \$31.5c 78.3c \$115.124c \$3.0c \$200.19p \$200.19p \$200.19p \$402.5v \$3173.0v \$3173.0v \$3170.0v	+30 +8 +395 +395 +085 +10 +23 -408 -25 -426 +144 -13 +05 -050 -050 -050 -050 -050 -050 -055	White 8 Parise Parise Dec Jan Feb Jan Feb Jan Feb Mar Apr May Aug Turnom It's a eaper to (25-4) (25-4) (25-4)	92 (1128) White (Fr lay 2540 f 19.00 19.00 18.01 18.31 18.31 18.31 17.11436 18.31 17.11436 18.31	Previous 178.25 170.25 165.50 161.00 159.00	Ing): Dec 2485, Ma Ict 2450, Dec 2385. S/barro Is High/Low IS 01 18.32 18.62 18.55 18.30 18.28 S/barro High/Low 150.50 178.75 175.00 174.50 177.50 178.75 168.75 165.75 168.75 165.75 169.50 161.00 159.50 100 tonnes Ingo 100 tonnes Ingo 100 tonnes Ingo 100 tonnes Ingo 100 tonnes Ingo 100 tonnes	Free Apr Turnove  Free Apr Turnove  Nov Dac Jan Apr Jul Oct BF) Turnove  GRADE Wheat Nov Jan Mar Jan Mar Jan Mar Jan Mar Jan Mar Jan Mar May Jan Mar May Jan	138,143,141,141,141,141,141,141,141,141,141
Other  Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Silver (per troy oz) Pilalitum (per troy oz) Pilalitum (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Aluminium (free market) Copper (US Producer) Lead (US Producer) Lead (US Producer) Lead (US Producer) Lead (US Producer) Lin (Rew York) Tin (New York) Cattle (five weight)† Sheep (dead weight)† Leadon daily sugar (raw) Leadon daily sugar (white) Plas (Ilve weight)† Leadon daily sugar (white) Leadon daily sugar (white) Leadon daily sugar (white) Maize (US No. 3 yellow) Meaze (US No. 3 yellow) Meaze (US Dark Northern) Rubber (poci) Plubber (Leaf) Rubber (Leaf) Rubber (Leaf) Rubber (Jeaf) Ru	\$387.25 \$387.25 \$387.35 \$1765.50 \$137.35 \$1765.23 \$1765.23 \$15.124c \$15.124c \$15.124c \$15.124c \$15.124c \$15.124c \$15.125 \$125.25 \$12	+30 +8 +386 +386 +085 +10 +23 -26 -426 -419 +14 +14 +14 +105 +05 -050 +05 +05 -050 +05	Prince 9 Parise 9 Parise 9 Parise 1 Par	92 (1128) White (Fr lay 2540 / 19.00 19.00 19.00 18.01 18.31	Per tonus 2500. (**) Per Previous 18.77 18.46 18.21 18.20 18.70 18.21 18.20 17.025 176.50 181.00 189	ne): Dec 2485, Ma lot 2450, Dec 2385. Sfbarre IS Sfbarre IS 01 18.92 18.62 18.55 18.30 18.28 Sfbarre IS 01 178.75 178.00 174.50 171.75 170.50 187.75 170.50 187.75 185.75 182.50 181.00 189.50 197.00 I 100 Ismnes I 100 Ismnes I 25-45p with at 25-45p with at 25-45p with at 25-45p with at 25-45p is at 25-45p with at 25-45p is at 25-45p	Feb Apr Turnow  Nov Dec Jan Apr Jul Oct BF; Turnow  Wheat Nov Jan Mar May Jun Sep Nov Barley Nov Jan Mar May Jun Sep Nov Har May Jun Turnow  Turnow	138,143,141,141,141,141,141,141,141,141,141
Other  Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Silver (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Aluminum (tree market) Copper (US Producer) Nickel (free market) Tin (Kuels Lurtopur market) Tin (Kuels Lurtopur market) Tin (Kuels Lurtopur market) Tin (New York) Cattle (five weightif) Sheep (dead weight) Pigs (five weightif) London daily sugar (rwhite) London daily sugar (rwhite) Tate and Lyle suport price Barlay (English sed) Malze (US No. 3 yellow) Wheat (US Dark Northern) Rubber (spot) Rubber (spot) Rubber (KI RSS No 1 Dec Coconut oii (Philippines) Soyabeans (US) Copra (Philippines) Soyabeans (US) Cotton "A" Index Wooltops (84s Super)	\$387.25 \$337.35 \$1765 \$1765 \$1765 \$1765 \$1765 \$18.33 \$31.5c \$231.5c \$231.5c \$231.9c \$402.6v \$312.5c \$127.5 \$128.25 \$127.5 \$250.0c \$255.0c	+3.0 +8 +3.95 +0.85 +10 +2.3 -4.08 -2.5 +14.4 +1.4 +1.4 +1.4 +1.2 +0.5 +0.5 -0.50 +0.5 -10	Prince 9 Parise 9 Parise 9 Parise 1 Par	92 (1128) White (Fr lay 2540 / 19.00 19.00 19.00 18.01 18.31	Per tonus 2500. (**) Per Previous 18.77 18.46 18.21 18.20 18.70 18.21 18.20 17.025 176.50 181.00 189	ne): Dec 2485, Ma lot 2450, Dec 2385. Sfbarre IS Sfbarre IS 01 18.92 18.62 18.55 18.30 18.28 Sfbarre IS 01 178.75 178.00 174.50 171.75 170.50 187.75 170.50 187.75 185.75 182.50 181.00 189.50 197.00 I 100 Ismnes I 100 Ismnes I 25-45p with at 25-45p with at 25-45p with at 25-45p with at 25-45p is at 25-45p with at 25-45p is at 25-45p	Freib Apr Turnove  Freib Apr Turnove  Freib Apr Turnove  Freib Apr Turnove  Freib Apr Jan And Jan Mar Mar Jan Mar	138,143,141,141,141,141,141,141,141,141,141
Other  Gold (per troy oz) Silver (per troy oz) Silver (per troy oz) Silver (per troy oz) Pilalitum (per troy oz) Pilalitum (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Palladium (per troy oz) Aluminium (free market) Copper (US Producer) Lead (US Producer) Lead (US Producer) Lead (US Producer) Lead (US Producer) Lin (Rew York) Tin (New York) Cattle (five weight)† Sheep (dead weight)† Leadon daily sugar (raw) Leadon daily sugar (white) Plas (Ilve weight)† Leadon daily sugar (white) Leadon daily sugar (white) Leadon daily sugar (white) Maize (US No. 3 yellow) Meaze (US No. 3 yellow) Meaze (US Dark Northern) Rubber (poci) Plubber (Leaf) Rubber (Leaf) Rubber (Leaf) Rubber (Jeaf) Ru	\$387.25 \$387.25 \$387.35 \$1785 \$1785 \$1785 \$1785 \$1785 \$185.30 \$31.5c \$18.30 \$31.5c \$18.30 \$31.5c \$18.30 \$31.5c \$18.30 \$31.5c \$18.30 \$31.5c \$31.0c \$402.5c \$31.0c \$402.5c \$1351.0c \$112.5c \$127.5 \$127.5 \$127.5 \$128.25c \$127.5 \$128.25c \$127.5 \$128.25c \$127.5 \$128.25c \$127.5 \$128.25c \$128.25c \$127.5 \$128.25c	+3.0 +8 +3.95 +3.95 +10.5 +10 +2.3 -4.08 -2.5 +14.4 +1.4 +1.0 +0.5 +0.25 +0.5 -0.50 +0.5 -10	PRIME SPAINS MAY	92 (1128) White (Fr lay 2540 # 19.00 19.00 19.00 19.01 18.31 18.31 18.31 17. 11436 II 1992 176.00 174.75 170.75 195.60 197.75	Previous Previous 18.77 18.46 18.21 18.20 18.77 18.46 18.21 18.20 (10150) Previous Previous 170.25 174.25 170.25 165.50 165.50 165.50 165.00 169.00 1	Ing): Dec 2485, Ma Ict 2450, Dec 2385. S/barro Is High/Low IS 01 18.32 18.62 18.55 18.30 18.28 S/barro High/Low 150.50 178.75 175.00 174.50 177.50 178.75 168.75 165.75 168.75 165.75 169.50 161.00 159.50 100 tonnes Ingo 100 tonnes Ingo 100 tonnes Ingo 100 tonnes Ingo 100 tonnes Ingo 100 tonnes	Feb Apr Turnow  Nov Dec Jan Apr Jul Oct BF; Turnow  Wheat Nov Jan Mar May Jun Sep Nov Barley Nov Jan Mar May Jun Sep Nov Har May Jun Turnow  Turnow	138,143,141,141,141,141,141,141,141,141,141

ys English watercress is good of 40p a bunch (30-40p) as are ton

30-55p a to (30-55p). Frosts have left Britis lettuce shorter and prices have increase with leaburgs at 70p-£1.00 each [70-50p].

	Close		Previous	High/Low	AM Office	al Karbelo	se Oper	Interest
Alumbio	m, 99.7%	perty (	S per tonne	1		Ring t	urnover 12	965 tonne
Cash	1800-		1775-80	1795/1790	1788-90			<u> </u>
3 months		<del></del>	1725-7	1754/1740	1743-4	7752-3		6 lots
		(Σ per tos		5747247-^	7744 6	tung b	umover 34,	120 100M
Cash 3 months	1721-		1685-8 1689-70	1717/1716 1701/1690	17:16-8 1696-6	1698-700	77.51	3 lots
Leed (£ p							turnover 7,	
Cash	440-2		453-4	441	439-41	1-1-29		
3 months			445-6	445/432	433-8.5	438-8.5	11,85	7 lots
Michai (S	per tonin	re)				Ring	turnover 1,	332 tome
Cash	10250		10203-50	10100	10100-50			
3 months	9740-	<u>50</u>	9800-50	9775/9625	9800-25	9725-50	5,990	
Tin (5 per	r tonne)					Ring	MINOVER	545 tonne
Cash	7170-1 7250-6		7250-80	7220	7220-40 7320-40	1698-700	4 000	lak-
3 months			7330-50	7340/1600	142040		4,820	
Cash	1495-6		\$ per tonne 1495-500	1500/1495	1495-6	Hang a	irnover 12,	173 gymrae
3 Months			1449-51	1460/1445	1449-51	1450-5	16.43	3 lots
Zine (S po	er tonne)					Ring	purpover	625 tonne
Cash	1450-6	50	1450-5	1458	1455-8			
3 months			1410-5		1415-20	1415-25	2,897	iots
LME Clos								
SPOT: 1.5	30/6	3	months: 1.	<del></del>	6 months: 1	-54/6	a mout	hs: 1.5266
POTATO		FR_		£/torane	LONDON BL	ALION MARI	<b>T</b>	
	Close	Previou	n High/Lo	TW	Gold (fine oz	S price	S eday	mient
Nov	138.0	131.0	135.0 1	30.0	Close	387-387 3	243-14-2	444
Apr May	198.0 224.0	196.3 224.4	197.5 11 224.0 2		Opening	387-387 <sup>1</sup> 2	243-243	12
			0 tonnes.		Morning fix Afternoon fix	367.40 387.10	244,108 243,858	
101-0	(0)				Day's high	3884-3884	C+07000	•
SCYAR	IAN ME	AL - EF	<u> </u>	Sitomna	Day's low	385 <sup>1</sup> 2 -387		
	Close	Previou			Colos	S price	rlupe 3	alan!
Dec	139.00		140.50		Medialest	397-402	250-253	
Feb	143.50 141.50	143.70	143.50		Britannia	397-402 ·	250-253 250-253	
Apr		141.70	741.50 0 apmes		US Eagle	397-402	250-253	l
· UTTICVE	344 (2U)	11-0KH 01 2	v avii185.		Angel Krugerrand	397-402 385-389	250-253 243-245	ì
FRANCI	T PLTTE	1008 - 10	<b>S10</b>	Index point	New Sav.	91-92	574-58	1
	Close	Previou			Old Sov. Noble Plat	91-82 501.45-509.40	56-% -58 315.70-	25h 32
Nov	1685	1689	1685 16				410.70	
Dec	1865	1688	1690 16	85	Silver for	pfline az	US cts	edrija
Jan Abr	1897 1700	1696 1698	1699 18 1700 16	94 96	Spot	332.55	327.95	
ألتال	1410		1410		3 months	344.90	539.20	
Oct BF)	1530 1654	1657	1540		6 months 12 months	357.05 380.20	550.25 572.10	
Turnover								
. 411040	200 (10	•)			TRADED OF	IONS		
ORAINS		<del>-</del>		Stonne	TRADED OPT Aluminium (9		ls_	Pute
		Previou	s High/Lo			9.7%) Cal	is Jen Nov	Puts
ORAINES Wheet Nev	- <b>BFE</b> Close 108.50	Previous	108.50	-	Atunibium (9 Strike price \$ 1650	9.7%) Gai tonne Nov	Jen Nov 121 17	Jan 46
Wheet Nov Jan	- BFE Close 108.50 112.20	Previous 108.25 111.95	108.50 112.25	112.10	Atuniphum (9 Strike price \$ 1650 1750	9.7%) Cali tonna Nov 147 80	Jen Nov 121 17 59 49	Jan 46 92
ORAINS Wheat Nov Jan Mar May	Close 108.50 112.20 118.10 119.25	Previous	108.50 112.25 116.15 119.30	112.10 16.00 19.25	Atutebalum (9 Strike price \$ 1650 1750 1850	9.7%) Gai tonna Nov 147 80 37	Jen Nov 121 17 99 49 36 104	Jan 46 92 158
ORAINS Wheat Nov Jan Mar May Jun	Close 108.50 112.20 118.10 119.25 120.85	Previous 108.25 111.95 115.85	108.50 112.25 115.15 119.30 120.85	112.10 16.00 19.25	Afundalum (9 Strike price \$ 1650 1750 1850 Copper (Grad	9.7%) Cat i tonne Nov 147 80 37 e A) Cat	Jen Nov 121 17 99 49 36 104	Jan 46 92 158 Puts
GRAINS Wheat Nov Jan Mar May	Close 108.50 112.20 118.10 119.25	Previous 108.25 111.95 115.85	108.50 112.25 116.15 119.30	112.10 116.00 119.25 120.80	Atunicatum (9 Strike price \$ 1650 1750 1890 Cupper (Grad 2600	9.7%) Gai i tonne Nov 147 80; 37 e A) Cali	Jan Nov 121 17 89 49 36 104 Is	Jan 46 92 158 Puts
ORAINS Wheet Nov Jan Mar May Jun Sep Nov	Close 108.50 112.20 118.10 119.25 120.85 104.10 107.05	Previous 108.25 111.95 115.85 119.00	108.50 112.25 116.15 119.30 120.85 104.00 107.05	112.10 116.00 119.25 120.80	Afundalum (9 Strike price \$ 1650 1750 1850 Copper (Grad	9.7%) Gai tonne Nov 147 80 37 e A) Cal	Jen Nov 121 17 99 49 36 104	Jan 46 92 158 Puts
ORAINS Wheet Nov Jan Mar Mar May Jun Sep Nov	Close 108.50 112.20 118.10 119.25 120.85 104.10	Previous 108.25 111.95 115.85	108.50 112.25 116.15 119.30 120.85 104.00 107.05	112.10 16.00 19.25 120.80	Afundation (9 Strike price \$ 1650 1750 1850 Copper (Grad 2600 2700 2800	9.7%) Gal tonne Nov 147 80 37 e A) Gal 151 97 58	Jen Nov 121 17 89 49 36 104 le 136 60 94 104 164	Jan 46 92 156 Puts 128 163 249
ORAINS Wheet Nov Jan May Jun Sep Nov Barley	Class 108.50 112.20 118.10 119.25 120.85 104.10 107.05 Class	Previous 108.25 111.96 115.85 119.00 Previous	108.50 112.25 116.15 119.30 1120.85 104.00 107.05 1	112.10 116.00 19.25 120.80	Aluminium (9 Strike price \$ 1650 1750 1850 Copper (Grad 2500 2700 2800 Colles	9.7%) Gai tonne Nov 147 80 37 e A) Cali 151 97 58	Jen Nov 121 17 99 49 38 104 16 136 60 94 104 83 184 Mar Jan	Jan 46 92 158 Puis 128 183 249
Official Mary Jan May Jun Sap Nov Barley Nov Mar	Close 105.50 112.40 105.50 112.40 105.50 112.40	Previous 108.25 111.96 115.85 119.90 Previous 105.25 109.10 112.00	108.50 112.25 116.15 119.05 120.85 104.00 107.05 104.00 107.05 105.50 105.50 112.50	112.10 126.00 179.25 120.80 107.00	Aluminium (9 Strike price 8 1650 1750 1850 Copper (Gred 2700 2800 Collea 659	9.7%) Gai i tonne Nov 147 80 37 e A) Cal 151 97 58	Jen Nov 121 17 69 42 38 104 16 136 60 94 104 83 164 Mar Jan	Jan 46 92 158 Puts 128 163 249 Mar 33
ORAINS Wheet Nov Jan Mar May Jun Sep Nov Barley Nov Jan Mar May	Close 108.50 112.20 118.10 119.25 120.85 104.10 107.05 Close 105.50 112.40 114.50 114.50	Previous 108.25 111.95 119.90 119.90 Previous 105.25 108.10 112.00	108.50 112.25 118.15 119.30 120.85 104.00 107.05 1 105.50 109.50 1 114.50	112.10 015.00 119.25 107.00 107.00	Aluminium (9 Strike price \$ 1650 1750 1850 Copper (Grad 2500 2700 2800 Colles	9.7%) Gai tonne Nov 147 80 37 e A) Cali 151 97 58 Jan 63	Jen Nov 121 17 99 49 38 104 16 136 60 94 104 83 184 Mar Jan	Jan 46 92 158 Puis 128 183 249
GRAINS Wheet Nov Jen May Jun Sep Nov Barley Nov Jen May Turnover	Close 108.50 112.20 112.25 124.10 119.25 104.10 107.05 Close 105.50 109.50 112.40 Wheat	Previous 108.25 111.95 115.85 119.00 Previous 105.25 109.10 114.05 270 (405)	108.50 112.25 118.15 119.30 120.85 104.00 107.05 105.50 105.50 105.50 112.50 114.50	112.10 015.00 119.25 107.00 107.00	Aluminium (9 Strike price \$ 1650 1650 1650 Copper (Grad 2500 2600 Collec 500 700 700 750	9.7%) Gai tonne Nov 147 80 37 e A) Cali 151 97 58 Jan 63 24	Jen Nov 121 17 89 49 38 104 85 104 86 60 94 104 83 164 Max Jan 87 70	Jan 48 92 158 Puts 128 183 249 Mar 33
OFFAIRS Wheet Nov Jen May Nov Barley Nov Jen May Turnover	Close 108.50 112.20 112.25 124.10 119.25 104.10 107.05 Close 105.50 109.50 112.40 Wheat	Previous 108.25 111.95 119.90 119.90 Previous 105.25 108.10 112.00	108.50 112.25 118.15 119.30 120.85 104.00 107.05 105.50 105.50 105.50 112.50 114.50	112.10 015.00 119.25 107.00 107.00	Alumbahum (9 Strike price \$ 1650 1650 1650 1650 2500 2500 2600 2600 2600 2700 2800 Collection (Grad 2500 2700 2800 Collection (Grad 2500 2700 2800 Collection (Grad 2500 2700 2800 Collection (Grad 2500 2700 2700 2700 2700 2700 2700 2700	9.7%) Gai tonne Nov 147 80 37 e A) Cai 151 97 58 Jan 63 24 9	Jen Nov 121 17 89 49 38 104 16 156 60 94 104 83 164 Max Jan 83 14 57 25 37 70 Mar Dec	Jan 46 92 158 Puts 128 163 249 Mar 33 57 67
GRAINS Wheek Nov Jen May Jun Sep Nov Berley Nov Jen Mar Mar May Turnover Turnover	Close 108.50 119.25 120.85 104.10 119.25 104.10 107.05 Close 105.50 109.50 119.40 114.50 Wheat lots of	Previous 108125 111.95 113.85 119.00 Previous 105.25 108.10 114.05 114.05 100 tonne	108.50 112.25 118.30 119.30 120.85 104.05 107.05 105.50 105.50 112.50 114.50 134.50 14.50	112.10 116.00 116.00 119.25 120.30 107.00	Aluniphum (9 Strike price \$ 1650 1750 1850 Cupper (Grad 2600 2700 2800 Collea Collea Collea Collea 750 750	9.7%) Gai tonne Nov 147 80 37 o A) Cal 151 97 58 Jan 63 24 9 Dec 46	Jen Nov 121 17 89 49 38 104 85 104 86 60 94 104 83 164 Max Jan 87 70	Jan 48 92 158 Puts 128 183 249 Mar 33 57 67
OPLATIONS Wheelt Nicy Jan May Jun Sep Nov Bartey Nov Jan Mar May Turnover Turnover Turnover	Close 108.50 119.25 12.20 119.25 104.10 107.05 104.10 107.05 109.50 109.	Previous 108.25 111.95 111.95 113.85 119.00 Previous 105.25 108.10 112.00 114.05 270 (405)	108.50 112.25 118.15 118.30 119.30 119.30 107.05 109.50 109.50 109.50 114.50 114.50 114.50 114.50 114.50 115.50 116.50 11	112_10 176.00 176.05 192.56 107.00 107.00	Alumbahum (9 Strike price \$ 1650 1750 1850 1850 Copper (Grad 2600 2700 2800 Collea 650 700 700 700	9.7%) Gai tonne Nov 147 80 37 o A) Cal 151 97 58 Jan 63 24 9 Dec 46	Jen Nov 121 17 89 49 28 104 16 158 60 94 104 158 104 Mar Jan 83 14 57 25 37 70 Mar Dec	Jan 48 92 158 92 158 128 128 129 149 144 144
Ottables Wheet Wheet Wheet Who Jan May Jun	Close 108.50 112.20 112.20 112.20 112.20 112.20 1104.10 107.05  Close 105.50 102.50 112.40 114.50 114.50 Ligs of	Previous 108.25 111.95 115.85 119.90 Previous 105.25 109.10 114.05 270 (405) 100 tomas	108.50 112.25 176.15 119.30 120.85 104.00 107.06 105.50 105.50 112.50 112.50 112.50 114.50 114.50 114.50 114.50 114.50 114.50 114.50 114.50 114.50 114.50 114.50 114.50 114.50 114.50	112_10 176.00 176.00 179.25 120.80 107.00	Alumbahum (9 Strike price \$ 1650 1750 1850 2500 2700 2800 2700 2800 Collec 650 700 750 750 800	9.7%) Gai tonne Nov 147 80 37 e A) Cal 151 97 58 Jan 63 24 9	Jen Nov 121 17 99 49 38 104 18 136 60 136 60 137 35 184 1857 35 187 70 187 56 63	Jan 46 92 158 Puls 128 163 249 Mar 33 57 87 Mar 74
Official September 1	Close 108.50 119.25 120.85 104.10 107.05 119.25 119.25 119.45 104.10 107.05 119.45 108.50 119.45 108.50 119.45 108.50 119.45 108.50 119.45 108.50 119.45 108.50 119.45 108.50 119.45 108.50 119	Previous 108.25 111.95 111.95 113.85 119.00 Previous 105.25 108.10 112.00 114.05 270 (405)	108.50 112.25 118.15 118.30 119.30 119.30 107.05 109.50 109.50 109.50 114.50 114.50 114.50 114.50 114.50 115.50 116.50 11	112_10 176.00 176.00 179.25 120.80 107.00	Alumbahum (9 Strike price \$ 1650 1750 1850 2500 2700 2800 2700 2800 Comper (Grad 2600 700 750 700 750 800 Bretal Cruste	9.7%) Gai torine Nov 147 80 37 e A) Cali 151 97 58 Jan 63 24 9 0ec 45 16 16 16 16 16 16 16 16 16 16	Jen Nov 121 17 99 49 38 104 Is 138 60 138 60 139 60 139 70 139 70 130 70 130 70 130 70 130 70 13	Jan 48 92 158 Pds 128 163 249 Mar 33 87 87 Mar 44 74 Feb
Octubres Wheek Wheek Nor Jen May Jun May Jun Sep Nov Nov Jen Turnover Turnover Turnover Turnover	Close 108.50 112.20 118.10 119.25 120.85 104.10 107.06 107.06 105.50 109.50 112.40 114.50 104.10 105.50 114.50 114.50 114.50 114.50 115.0	Previous 108 25 111.95 113.95 119.00 Previous 108.25 108.10 114.05 270 (405) 100 tonne	108.50 112.25 119.30 120.65 104.00 107.05 104.00 107.05 112.50 112.50 114.50 114.50 114.50 125.9 114.50 114.50 114.50 114.50 114.50 114.50 114.50 114.50 114.50 114.50	112_10 176.00 176.00 179.25 120.80 107.00	Alumbahum (9 Strike price \$ 1650 1750 1850 2500 2700 2800 2700 2800 Collec 650 700 750 750 800	9.7%) Gai tonne Nov 147 80 37 e A) Cat 151 97 58 48 9 Quec 46 16 4	Jen Nov 121 17 99 49 38 104 18 136 60 136 60 137 35 184 1857 35 187 70 187 56 63	Jan 46 92 158 Puls 128 163 249 Mar 33 57 87 Mar 74

	,000 tonnes of	CES	<del></del>	et an		be compi	lete by	the	be repl	aced by	a new boo		fuels.	t the co		
netec se	Metal Trading) Open Interest	US	MA	RKE	:TS		CRUE	E OIL (Li	ght) 42,000 Previous			C	hicaç	<b>jo</b>		<u> </u>
	er 12,955 tonne					e sharply	Dec	19.85	79.87	20:00	19.78	30Y	ABEANS 5	OOO bu min	cente/668)	bushel
	32,826 lots				ive mark nam Lam		Jan	19,74	19.68	19.79	19.63	٠ ــــ	- Close	Previou	<del></del> _	
mov	er 34,425 tonne	Stron	ng techn	ical buy	ing lifted	the	Feb Mar	19.80 19.47	19 <u>,52</u> ` 19.39	19.62 19.51	19.50 19.40	. Nov Jen	587/6 580/2	563/0 576/6	589/0 582/0	583/ 576/
					high as \$		Apr May	19.35 19.27	19.26 . A	19.38 19.27	19.27 19.15	Mer	692/6	589/6	584/0	- 589/
	77,513 lots				atured ty		Jun	19,11	19.01	19.11	19.02	May -kd	603/2 610/4	600/4 606/0	604/4 611/4	600/ 607/
me	ver 7,525 tonne				wer that		Jul Aug	18,90 18,85	18.90 18.80	18.90. 18.87	18.90 18.80	Αug	610/4	608/0	611/0	-6024
	11,857 lots				produce		Sep	18,78	18.72	18.80	18.78	. Sep	601/0	596/2	602/0	600
mo	ver 1,332 tonne	Copi	der close	ed nigne	r 83 IIIQ ( wide su	declining pport in ·		-	•			30Y	AREAN OF	L 60,000 lbs	cents/lb	
					uned str		HEAT	NG OIL 4	2,000 US ga	dis, cente/	US galls	-	Close	Previou	s High/Lo	
_	5,990 lots	closi	ng abov	re 15 cer	ıts. Coco	a trading		Letest	Previous	High/Los	,	Dec		19.22	19.41	19.1
шп	over 545 tonne				nishing ı		Dec	5670	5872	5910	5850	Jen Mer	19.59 : 20.02	19.44 19.87	18.62 20.05	19.4
	4,920 lots				ras featu st aheed		Jan Feb	5870 5810	5969 5796	5910 5840	5855 5795	May	20.39	20.23	20.40	19.8 20.2
Ю¥	er 12,175 tonne	crop	report	Late cor	nmercial	buying	Mar	5805	5530	5620	5586	dal. Aug	20.70 · 20.75	20.53 20.58	: 20.70 20.76	20.6 20.6
	16.433 lots	lifted	the soy	comple	x slightly . The live	. Com	Apr May	5375 5205	5265 5165	5400 5210	5350 5195	Sep-	20.62	20.65	20.86	20.7
4	over 625 tonne				prices de		Aug Sep	5130 5195	5095 5186	5130 5195	5100 5195	Oct	20.82	20.72	20.95	20.6
===		scatt	ered pro	ofit takin	g. Live h	ogs and		5130		9180		30Y/	ABEAN ME	AL 100 tons	\$/ton	
_	2,897 lots				d. The e		COCK	A 10 toor	nes:S/tonne	s :	<del></del> .		Close	Previous	High/Lo	w
9	months: 1,5296				attul as ko st of the '		===	Close	Previous			Dec	183.5	181.8	189.0	. 181.
_				<b></b>			Dec	996	997	1002	986	Jan Mar	182.0 181.6	180.7 180.6	182.1 181.8	180.: 180.:
_	i	Ne	wY	ork			Mar	1004	1004	1012	926	May	_180.7	179.7	180.8	179.
_	equivalent		-	<u></u>			May Jul	1016 1026	f015 1025	1028 1030	7007 1023	· dal ·	180.2 179.5	179.4 .178.5	180.3 180.2	179. 179.
_	434-2444	GOLD	100 troy (	oz.; S/troy	92_		Sep	1048	1047	1060	1042	Sep	180.0 179.7	178.7	180.2	179.
2	43-243 <sup>1</sup> 2		Close	Previous	High/Lo		Mer. Dec	1072 1897	1073 1100	1077 1098	1067 1090 .	OC.	1192	179,0	179.8	179.2
3	44.106 43.858	Nov Dec	387.1 388.0	388.8 390.8	8 391,4	0 386.4						MAIZ	E 5,000 bu	min; cente/	56ib bushe	
-	}	Jan	391.5	393.1	0	0	===		F0000			_	Close.	Previous	H5gh/Lor	
	}	Feb Apr	393.6 396.1	395.4 399.9	396.0 400.2	393.1 397.5	COPT	Close	,500tbs; ce			Dec	238/4	235/0	296/0	235/2
٤	equivalent	Jun	402.5	404.3 408.5	404,7	403.0	Dec	76.95	Previous 77.22	High/Lox	76.30	Mar.	240/6 244/8	241/4 . 245/2	241/4 245/2	240/4 244/4
	50-253 50-253	Aug Oct	408.7 411.1	408.5 412.9	408.8 412.5	407.0 412.5	Mar .	79.00	79.11	79.10	78.40	Jul Sep	248/2 241/4	248/4	249/0	248/
S	90-253						May Jul	89.70 83.00	80.82 · 82.80	81.25 83.50	80,40 82,50	Dec	239/4	242/D 238/6	243/D 240/0	241/4
	50-253 43-245	PLATE	NUM 50 b	oy oz: S/h	oy oz.		Sep	85.00	85.25	85.25	84,50	·	<u> </u>	<u> </u>		
5	714-68		Close	Previous	High/Loc		. Dec Mar	87.63 90.25	88.00 90.75	88.50 91.00	87.30 90.10	WHEN	IT 5,000 bu	Min: cer4s	60th-bushe	
3	53,-68 15.70-320.70	Jan	508.5	502.8	511.9	500.0		•					Close ·	Previous	High/Lov	,
<b>-</b> ,	S cts equiv	Apr Jul	511.0 515.5	507.3 511.8	615.5 520.0	505.5 516.0	SUIGA	R WORLD	71" 112,0	m the ca	te/line :	Dec	403/2 407/0	403/6 407/4	404/0 407/6	402/2 405/
_	27.95	Oct	520.2	516.5	518.5	519.5		Close	Previous	<u> </u>		May	366/6	388/2 · ·	387/6 -	385/2
5	9.20	_					Jan	14,50	14.45	0	0	Jui Sep	357/2 361/4	352/0 362/4	358/2 362/4	355/4 . 361/4
	90.25 72.10	\$ELVE	3R 5,000 tr	Oy 02; CON	BEALCHON COST		Mar	15.01 14.74	14,84	15.03	14.78 14.62					
_			Close	Previous			May Jul	14,50	14.58 14.34	14.75 14.50	14.30	LIVE	CATTLE 40	,000 lbs; ce	nts/ibs	
_	<del></del>	Nov Dec	528,0 530.8	626.5 529.5	0 537.0	0 529.0	Oct	13.93 13.23	18.74 18.02	13.94 15.11	13.74 13.05		Close	Previous	High/Los	
-	Nov Jen	Jun Mar	633.7 542.8	532.4	534.0	534.0						Dec Feb	74.82 74.55	74,57	74.05	74.5
-	17 48	May	530,8	541.4 549.1	549.Q 566.5	541.0 551.0	_					Apr	74.55	74.42 74.43	74.67 74.70	74.1 74.2
•	49 92	Jul Sep	566.5 586.6	557.0 565.1	584.0 588.5	568.0 568.5	COTT		0; cents/lbs		<u>.</u>	. Jun DuA	71.65 <b>69.90</b>	71.45 69.55	71.72 70.00	71.3 69.5
_	104 158	Dec	578.0	578.3	581.5	578.0		Close	Previous			Oct	69.10	66.90	69.35	68.8
-	Puts 129	Jan	561.6	579.9	0	0	Dec	75.09 76.70	74.90 · 76.60	75.38 77.00	74.95 78.85		WAGE 00 0	00 lbs	#L-	
3	60 126 104 163	COP	PER 25.00	G ibs; cont	silhe.		Jul	77.15 77.00	77.05 77.05	77.40 77.35	77.12 77.10	TAK I		00 lb; cente		
_	154 249		Close	Previou		<u> </u>	Oct	70.00	70.05	70.20	60.90	Dec	Cf088 47.52	- 47,60	High/Los 47.75	
Ξ	Jan Mar	Nov	116.40	115.45	116.20	118,20	Dec	67.25 67.80	67.15 67.76	67.40 68.00	67.15 68.00	Feb	47.70	47.85	47.95	47.2 47.3
Ī	4 33	Dec	115.20	114.05	118.50	114,85					· •	Apr Jun	. 44.67 48.70	44.77 48.82	44.82 48.75	44.3 48.8
	35 57 1 70 87		<u>.</u>		`\	<u> </u>	<u> </u>			·		Jul Aug	48.85 47.65	49.07 47.75	48.95 47.75	. 48.5
7	Dec Mer	1-	CES				URA		€ 15,000 lb			Cor	43.20	48.50	48.20	47.4 43.2
_	5 44	KEU			nber 18 190	1 = 100)	Nov	129,00	Previous 129.45		125.00	-	Rin r prob -	10,000 Ros; c		
	25 74 83	<b> </b>	Nov 8			ро ут адо	Jan	123.85	124.00	129.50 124,40	123,70					
_		1_	1867.5			1874.9	Mar	124.20 124.85	124.25 125.05	124.50 · 125.00	123.90 125.00	Feb	Glose 63.17	Previous 63,47	High/Los	
-	Jan Feb	1			. 31 1974 =	100)	الدل	125.25	725.75	126.20	125.50	Mac	<b>62_47</b>	62.90	63.80 63.05	61.97 51.50
	22 49	Spot	130.52 131.35		126.13 129.25	137.27 140.27	Sep	125.40 124.60	125.80 125.10	126.00	125-50	May Jul	61.15 58.65	61.72 59.95	61.60 59.50	60.40
	67 67	1.			1000		Mer	124.60	125.10	ō.	ă.	Aug	56.62	57.90	78.8Q	58.50 56.60

#### LONDON STOCK EXCHANGE

# Equities lower after exciting session

A session of some tension and market closed with share prices marginally lower on bal-ance. Included in the day's menu was the re-emergence of the Blue Arrow affair, a move by two of the UK's big four clearing banks to increase provisions against third world debt, third-quarter results from the "big two" oil majors and better than expected figures from the retailing group, Store-

A somewhat hopeful sign for the market came with the level of shares traded in London yes-terday. By 5pm turnover had reached 438.5m, compared with Wednesday's 427.7m and Tues-

<u> </u>		
Accoun	x Dealing	Dates
*First Dentings; Oct 30	Mov 13 '- '	. Nov 27 .
Option Declarat Nov 9	Nov 23	Dec 7
Lest Dealinge: Nov 10	Nov 24	Dec 8
Account Day: Nov 20	Dec 4	Dec 18
"New time deal	ngs may take	place from

day's 417.9m and represented a continuation of the gradual improvement seen throughout the week.

The day began with share prices marked higher in response to the prime rate cuts by two of the smaller US banks and edging forward in thin trading. Sterling was perform-

ing reasonably well and short term UK interest rates showing further signs of easing. But the picture changed dramatically with news that the Serious Fraud Squad had made a number of arrests in connection with the Blue Arrow affair, sending a tremor of uncertainty through the market. Around the same time, Lloyds dropped a surprise when revealing that it was making another massive provision against third world debt.

Lloyds Bank's debt provision of 21.2bn, taking its cover up to 70 per cent but without resort-Opening some two points higher at 9am, the FT-SE 100share index then dipped back below the 2,200 level to show a ing to a rights issue, was inter-preted by the market as bullish fall of 10.5 within the first hour for its shares; "the third world of trading. The market was

upset by talk of a sizeable sell programme and initial disappointment with figures from Shell, but it began to claw its way back into positive terri-

A good rally then set in. causing the FT-SE to pick up to show a near-10 point rise in the early afternoon before this, too, was eaten into when Wall Street opened marginally lower. By the close, the index had retreated to 2,201.7, a net fall of 2.1.on the day.

shares shed just 2 to 1040

Unilever fell back again after

suggestions of a placing on Wednesday. But trading was quiet before the release today

of its third-quarter results.

Analysis expect pre-tax profits
of around £430m compared
with £388m last time. Unilever

closed 12 lower at 619p. Reuters fell 18 to 885p follow-

ing a report that it will delay the introduction of the second

phase of its Dealing 2000 prod-uct for foreign exchange mar-

Cable & Wireless rose in reaction to the news that

China's paramount leader. Deng Xiaoping, had resigned from the nations' most power-

ful position as chairman of the Central Military Commission. Analysts said Cable & Wire-less has a close connection

with Hong Kong, and political

changes in China this year have had an important impact

on its share price. Cable & Wireless owns 75 per cent of Hong Kong Telecom,

while its Hong Kong interests

contribute around 70 per cent

of the company's pre-tax prof-

Mr Stephen Owen, of James

Capel, said the rally on the Hong Kong stock market today on the news had prompted prices to be marked higher in London. "There is a feeling

that the Chinese leadership may be disassociating itself with the past," he said. Cable & Wireless closed 10 up

at 502p.
Third quarter new business

figures from the Association of

British Insurers meant gentle rises for leaders in the life sec-tor. Lloyds Abbey firmed 4 to 270p, Legal & General added a

penny at 3750 and Prudentia climbed 3½ to 206p. The last

named turned over 4.4m

shares, good volume for the second day running, as Hoare Govett recommended buying the stock in the wake of a sem-inar at its offices yesterday and shead of today's bullish insur-

ance quarterly.
Interim profits at Yale & Valor of £25.9m, against last

year's £21.6m were well above expectations and lifted shares.

Mr John Houlihan, analyst at Hoare Govett, said: "I think

this is going to be one of those stocks that will show a good

rate of growth in an economic

environment that is threaten-

ing to be recessionary." Shares closed 3 better at 276p. Shares in Pilkington rose as talk of a bid from BTR, which has a 3.8 per cent stake in Pilk-

ington since its 1987 bid attempt, circulated. Pilkington

shares closed 5% better at 235p. though BTR's eased a couple to close at 434p.

Mr Angus Blair, analyst at Kitcat & Aitken said: "The

rumour of a bid for Pilkington

rears its head regularly. We think a bid unlikely. Further

North American market is

ion for Pilkington in the

one scrip issue. NatWest moved quickly to

down 3 at 391b.

drop of 14 on the day. Hawker Siddeley continued

its rise, the shares going 4 bet-ter to end the day at 644p. Mr

Alasdair Stewart, analyst at Charterhouse Tilney, said: "I

think it is dawning on the mar-ket how much Hawker Sidde-

ley is likely to gain from increased spending on auto-

matic train protection, updated signalling and new railway car-riages, all for British Rail fol-

lowing the Clapham rail disaster inquiry. The company is likely to share in a total of about £950m due from British Rail in these three areas."

Kwik-Fit touched 160p before

easing back to close at 157p, a gain of 4 on the day on specula-

tion that Continental, the West

German tyre maker which

owns 13.13 per cent of Kwik-Fit

shares was considering making

a full bid for the company.

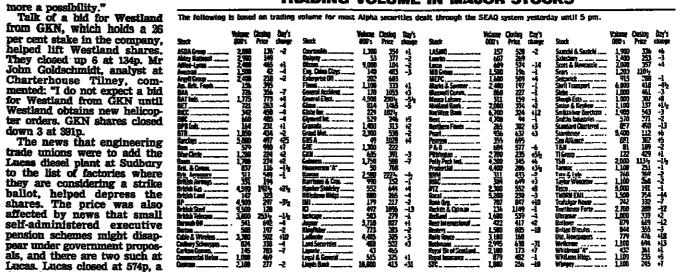
debt problem for Lloyds is now largely taken care of," was the view of one specialist. Accompanying the provisions news was an assurance from Sir Jeremy Morse, the bank's chair-man, that dividend and investment policy would not be affected and that it planned a 16 per cent increase in the final dividend along with a two-for-

follow Lloyds by increasing its provision against third world debt by £575m to around 72 per cent in mid-afternoon. Bank shares were still moving ahead, although Standard Chartered were hit by worrles of another rights issue.

#### 84.37 84.08 84,02 69.29 93.20 105.4 50.53 (19/10) (28/11/47) (3/1/75) 1774.2 1753.8 2008.6 1747.0 (5/9/89) (28/6/40) Gold Mines 258.B 734.7 245.2 234.2 (17/2)(9/11) 1782.8 2443.4 986.9 (3/1) (16/7/87) (23/7/84) 2426.0 (5/9)(3/1) Baois 100 Govt. Secs 15/10/26, Fixed int. 1926, Ord. Div. Yield 4.73 Earning Yld %(full) P/E Ratio(Net)(か) Ordinary 1/7/35, Gold mines 12/9/55, Basis 1000 FT-SE 100 31/12/83, ♦ Nil 10.63 11.28 10.72 11.20 10.79 11.36 10.64 SEAC Bargains(Spm) Equity Turnover(Sm)† Equity Bargains† 23,209 GILT EDGED ACTIVITY Indices Nov 7 21,437 727.06 26,611 674.99 21,202 808.94 20,313 302.0 Glit Edged Bargains 84.9 81.6 5-Day average 57.4 82.6 337.0 Day's High 1775.8 "SE Activity 1974, †Excluding Intra-market business & Oversess turnover. Calculation of the FT indices of delly Equity Bargains and Equity Value and of the five-day averages of Equity Surgains and Equity Value, was dis-continued on July 31. Closing values for July 10 a.m. 1788,7 1 p.m. 1775.0 3 p.m. 4 p.m. 1774.1 1767.6 Open 1774.4 2 p.m. 1774.5 FT-SE, Hourly changes Day's High 2213.3 Day's Low 2193.3 3 p.m. 4 p.m. 2211.2 2203.6 25 svaliable on request. • Corrected figure London report and latest Share index. Tel. 0896 123001. 1 p.m. 2 p.m. 2212.6 2212.1

FINANCIAL TIMES STOCK INDICES

#### TRADING VOLUME IN MAJOR STOCKS



Renewed US buying of Saatchi & Saatchi fuelled vague bid talk and the shares added 6 to 336p. Turnover was a steady 1.9m shares The revelation that Mr Con-

rad Black, the Canadian media entrepreneur, had increased his stake in United Newspapers by a percentage point to just more than 9 per cent, sent the shares streaking ahead to 480p. They subsided by the close to 476p, still 18 better on

There was little buying interest in Blue Arrow, which slipped a penny to 94p in thin trade.

**Euro** Disneyland continued to be sought, especially after the US company Walt Disney announcement a big jump in profits for its latest quarter

and fiscal year. The shares

Press speculation that a bid for Leisure Investments was imminent did nothing for the shares. They slumped 9½ to 33p at one point on a variety of suggestions, among them that the chairman's 7.8 per cent stake had been placed. The possibility that the stake had gone to a single acquisitive buyer helped the shares recover to 36p by the close. Ultramar remained a firm

climbed another 11 to 916p

market, closing a further 2 higher at 339p on turnover of around 1m as analysts continued to enthuse over news of the proposed sale of US company Tosco's 138,000 barrels a day refinery in San Francisco for upwards of \$1bn. A sale of the refinery at this price would make Ultramar's purchase of

mington refinery near Los Angeles last year look "an absolute snip," according to one researcher. Mr Fergus Macleod at BZW said a figure of \$1bn "would add 50p a share to ourUltramar asset value of

Exploration Company of Louisiana rose 8 to 242p, with dealers awaiting what is expected to be a bullish drilling report from the company's Yoakum field in Texas. And Mr Bill Miller, the company managing director is expected to give a series of presentations to Scottish insitutions early

including FT-Actuaries Share Index and London Traded Options, Page 33

## Lloyds rise on provisions

Lloyds and Barclays were marked up sharply after the former added £1.2bn to its third word debt provisions. Both hanks are seen as being able to cope with the new level of provisioning, of around 70 per cent of total exposure, and the announcement removed a heavy burden of uncertainty from the shares. Lloyds climbed 31 to 413p, helped by a proposed two-for-one scrip issue, while Barclays closed 25

better at 497p. Mr Chris Wheeler, analyst at Shearson Lehman, said that the debt problems were behind the banks for the first time, and that they could now be valued like any other industrial stock. "On a historical basis they have been poor per-formers since 1982 and they can now catch up." However, Mr Peter Toeman at UBS Phillips & Drew, said that the rises were "an anomaly." He said that such provisions were "entirely political" and that the market had not understood what had happened.

Other leading banks per-formed less well. Mr Wheeler said that to get to the same level of provisioning, Barclays would have to add another £730m to its figure, Midland £940m, and Standard Chartered £410m. The last two have relatively weak balance sheets and there was some talk in the market that Standard might even have to repeat the rights issue exercise of 1988. Midland closed only 2 better at 234p, while Standard [el] 13 to 490p. NatWest said it had added £575m to its provisions but was held to a rise of 12 to 324p on concern about possible spill-overs from the Blue Arrow

Oil figures surprise

Third quarter results from some raised eyebrows and witt-ing share prices when first released, especially in the case of Shell. But a closer scrutiny of both figures led to rallies in both BP and Shell shares and to some sighs of relief around the trading desks.

Shell were first off the mark. announcing third-quarter results particularly affected by currency losses, while BP's results were said to hav include a one off tax benefit of £43m. Shell ran back to 412p immediately following the figures but later picked up to close a net 4½ off at 418p on 6m, while BP, sold down to 294p at one point, rallied to end the session 31/2 easier at 297p

**ML Holdings** 

ML HOLDINGS has made the following appointments. Mr Derek F. Crook joins the group executive committee and becomes managing director,

ML Component Distribution;
Mr James A.G. Luck, managing director, ML Defence
Group; Mr James S. Tucker,
managing director, ML
Slingsby Group; Mr Roger S.
Atkinson, managing director,
ML Additions, and Mr Cibro

ML Aviation; and Mr Clive

Rushton, finance director, ML Wallop Defence Systems.

senior posts

on 4.9m. Mr Paul Spedding at Kleinwort Benson described the results as "disappointing, Shell definately so," and downgraded his full-year forecast for Shell by £100m to £3.77bm, while saying the shares remained a buy. Mr Jeremy Hudson at Shearson Lehman is trimming his Shell forecast to £3.8bn and BP to £1.55bn but says Shell is fundamentally better placed. At Smith New Court, Mr Nick Clayton said: 'On fundamentals there is little scope for significant further outperformance, but the defensive merits of both should underpin their ratings against a weak equity market."

STC down again

STC continued to be hurt by Salomon Brothers report earlier in the week that forecast lower profits this year and

Salomon blamed slower UK economic growth and expected the rate of growth of British Telecom's demand for telecommunications equipment to ease. This year, profits are forecast at £250m, against £260m previously. Next year £250m is expected, compared with £270m.

- But Salomon Brothers analyst, Mr Peter Knox, said STC's share price may have fallen too far. He noted the "encouraging news" that the West German Bundespost had joined the Unitel consortium, of which STC is a member, that is hoping to gain the licence to develop a UK personal communications

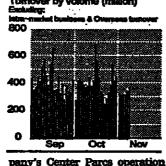
Mr Miles Saltiel, of Hoare Govett, said the inclusion of the Bundespost increased the chances of Unitel securing the licence for PCN. He said the UK Government was keen to have British standards prevail in Europe and the introduction of the Bundsspost, Europe's largest telephone network operator, into the consortium made that more likely. STC closed 10 down at 256p.

Scottish & Newcastle had a

firm day on speculation, kater denied, that there had been a seminar on the company at suggested this was a mishear-ing of a true story that analysts were visiting the com-

FT-A All-Share Index 1200 1150

**Equity Shares Traded** Tumover by volume (million)



next Thursday. Interest was also stimulated by the agreed bid for Roth-mans because of the sharp increase in the cash resources of Philip Morris, which is selling its Rothmans stake, and a rights issue in Japan by Kirin, the brewer. Both were named as possible buyers of Elders' 23.6 per cent stake in Scottish. preferred Kirin which has sig-nalled its intention to expand into Europe. The rights would not be enough to bid for the company, but is likely to be adequate to buy the Elders' stake. Scottish peaked at 362p but ended only 4 higher on the

day at 357p.

Both Rody Shop and Store-house surprised some in the City by the strength of their interim figures. The former, as usual a thin market, jumped 24 to 438p but the latter slipped back from its 118p peak as dealers and analysts pointed out that if property gains and financial services losses were taken into account the actual figure was a loss. The shares closed 6 better at 112p.

placed a tranche of 4%m Dixons shares at a small discount to the market price and the

th, SCRURANCE (1) Dor ) Gates (F.G.), PROPES ac Wis., Templeton En TRUSTE (2) Baltile Ga

■ Mr Jeremy Leathers has been appointed managing director of STOCKSIGNS,

a director. He was UK managing director of Ocean

Environmental Management.

■ Mr Richard Buchanan bas

been appointed deputy managing director of THE LIFE ASSOCIATION OF SCOTLAND from November

20, and is to succeed Mr J.M.

■ Mr Francis Carnwath has been appointed deputy director of the TATE GALLERY from

February 1. He is personnel and administration director

■ Mowlem Building has appointed Mr Richard Manile

director of CHRISTIAN

M NFC has appointed Mr

Charles Williams as human

division. He was personnel

resources director, transport

SALVESEN. He is

related executive

resconsibilities.

director, BRS.

Assurance Society.

ss when he retires next year. Mr Buchanan was with Colonial Mutual Life

following its acquisition by British and Foreign Wharf Co, of which Mr Leathers is also

#### **NEW HIGHS AND LOWS FOR 1989**

APPOINTMENTS

■ Mr Quintin Heavey has been appointed finance director.

and Mr Stephen McGill as a director, of LLOYD THOMPSON.

US cablemaking subsidiary,

**■ BARIS HOLDINGS has** appointed Mr Terry Dame as managing director of Baris Fire Protection, and as an associate director of Baris Dry Lining. Mr Brian North, a director of Haden Maciellan Holdings, has been appointed a non-executive director of Baris Holdings. He was finance

PRIEST MARIANS **HOLDINGS** has appointed Mr George Craven as managing director of subsidiary Priest Marians Developments, He was project manager.

director. The Burton Group,

■ WILLMOTT DIXON MAINTENANCE has appointed Mr Maleolm Gemson a managing director, northern.

BENLOX has appointed Mr Mowlem City, and Mr Tom Richard Morris as chairman. He is a director of Laing & Tinner as marketing director. Cruickshank. Mr Bob Mr Andrew Salvesen has Hankes-Drielsma has been been appointed a non-executive appointed a non-executive director. He is a managin director of ICA Holding NV relinquishing his post as chairman of Salvesen Oilfield and a non-executive director of Tranwood. Mr Simon Technology, together with his Berrill, who has been both chairman and chief executive, reverts to his original

> ■ BICC has appointed Mr Harry Schell, president and chief executive officer of its

appointment as chief

executive.

Cablec Corp, to the main board.

Ms Pida Ripley has been appointed director of development at the Royal Institute of International Affairs (Chatham House).

CONGREGATIONAL & GENERAL INSURANCE has appointed Mr David J. Collett as financial controller.

Mr John Skarratt has been appointed director of THE TELECOMMUNICATIONS USERS' FOUNDATION from December 4.



Mr Chris G. Burley (above) ha been appointed vice president and general manager of CAR-BORUNDUM RESISTANT MATERIALS - Europe, Africa and the Middle East. He was director, UK operations. Based at Sale, Cheshire, the company is a wholly-owned subsidiary of BP America, and forms part of the BP Chemicals Group.

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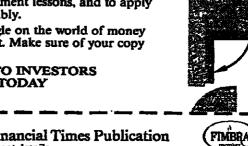
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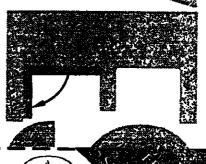
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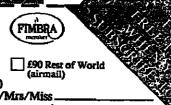
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THERMOS, Brentwood, has

appointed Mr Philip Brazing-

ton (above) as managing direc

tor in addition to financial

director. His appointment fol-lows the acquisition of Ther-

mos, Chicago, by Nippon



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#### FINANCIAL TIMES FRIDAY NOVEMBER 10 1989 FT UNIT TRUST INFORMATION SERVICE Current Unit Trust Prices are available on FT Cityline. 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## CURRENCIES, MONEY AND CAPITAL MARKETS

#### **FOREIGN EXCHANGES**

## Dollar and pound at peaks

0.1 to 89.0.

Sterling closed unchanged against the dollar at \$1.5865, but improved against the D-Mark to close at the day's peak of DM2.9325, compared with DM2.9275 on Wednesday.

The pound also climbed to SFr2.5725 from SFr2.5650 and to

FFr9.9425 from FFr9.9200, but fell against a generally firm Japanese yen to Y226.50 from Y227.00. Sterling's index rose

The yen rose on the unwinding of long D-Mark positions against the Japanese currency.

This resulted from continued

speculation that the Bank of Japan will increase its discount rate. The yen was also stronger against the dollar, and dealers expect this move

to accelerate once the present programme of US Treasury

The dollar moved up in late European trading to finish towards the top of the day's range after the Fed acted to

THE DOLLAR improved after the Federal Reserve drained liquidity from the New York liquidity from the New York banking system yesterday, but a rise in US producer prices above the general level of forecasts had no impact. Sterling remained supported by high interest rates as high yielding currencies, including the pound and Australian dollar, remained in favour. remained in favour.

Dealers voiced surprise that sterling had shrugged of the news that Lloyds Bank and National Westminster Bank had increased bad debt provi-sions by a total of £1.775bn on loans to less developed countries. It was pointed out that the pound fell sharply a few months ago when the main UK banks sold sterling and bought dollars to cover large debt pro-visions, but this time there was

no such immediate reaction.
Lloyds must sell another £1.2bn and NatWest £575m to cover their dollar denominated loans, but this was obviously not done yesterday. Mr Chris Tinker, currency analyst at UBS Phillips & Drew, said he would expect the banks to sell sterling in one operation. How-ever, with the pound rather fragile, he wondered whether the Bank of England might have suggested the banks find less drastic ways of covering these potential losses.

#### **& IN NEW YORK**

May.9	Late	a l	1	Previous Close	
f Spot	1.5865 - 1 0.84 - 0 2.39 - 2 8.38 - 8	.83pm .36pm .28pm	0 2 8	380-1.5890 .85-0.83pm .54-2.51pm .45-8.35pm	
Forward premiu	one and disc	Castis app	rly to	the US dollar	
STE	RUN	G IN	D	EX	
		Non.	9	Previous	
8.30 am 9.00 am		89.0 89.0		88.9 88.8	
10.00 am		88.9	1	88.8	
11.60 act Koos	-	88.9 89.0		88.8 88.9	
1.00 sm		89.0		88.9	
				- ==-:	

1.00 pm 2.00 pm 3.00 pm 4.00 pm		89.0 89.0 89.0 89.0	88.9 88.9 88.9 88.9 88.9
CUR	REN	CY RA	ΓES
Nov.9	Bank rate %	Special* Oraning Rights	European † Carrency Unit.
Sterling # U.S Doilar Canadian S	1246	1.24317 1.27714 1.49362	142426

Nov.9	121E	Orannig Rights	Carrency Unit.
olish Krone estsche Mark eh Galkler ellan Lira panese Yen panese Yen enlish Krone ellsh Krona els Orach est Orach est Orach est Pust	1012 6.00 7.00 1014 915 6.00 2012	1.24317 1.27714 1.49342 16.5620 49.3168 9.12006 2.35173 2.65454 7.96999 1718.32 182.503 8.80588 148.574 8.1722 2.06298 2.10.340 0.88461	1.42426 1.11391 1.30038 14.4697 43.1110 6.97028 159.210 159.210 159.210 129.603 7.14349 1.80230 183.895 0.773011
Steriles mak	ed ha term	rs of SDR and	ECH ner £

CURRENCY	ROVE	MENTS
Nos.9	Bask of England latter	Morgan <sup>co</sup> Gearanty Changes %
Sterling U.S. Dollar Canadian Dollar Canadian Dollar Austrian Schilling Reigian Franc Danish Krone Donish Krone Donish Krone Donish Franc Galder French Franc Lira	89.6 69.6 105.3 107.8 107.2 105.6 115.1 107.3 111.9 101.0 193.4 136.3	-22.1 -8.5 +1.0.7 -5.1 +0.5 +2.6.1 +14.5 -14.2 -18.9 +65.7

#### OTHER CURRENCIES

Nov.9	£	5
Argentina	1031.55 - 1039.85	650.00 - 655.00
Australia Brazil	2.0105 - 2.0130 8.7950 - 8.8215	1.2660 - 1.2670 5.5420 - 5.6570
Fipland	6.7505 - 6.7705	4.2580 - 4.2600
Greece	259.95 - 264.45 12.3945 - 12.4075	163 90 - 166 55
Iran	113.75	7.8130 - 7.8150   71.70°
Korea(Stb)	1058.50 - 1075.55	669,40 - 674,60
Kuwali Luatenbourg	0.47480 - 0.47670 61.45 - 61.55	0.29870 - 0.2997 38.70 - 38.80
Malaysia	4.2755 - 4.2865	26960 - 26980
Mettico N. Zealand	4169.05-4186.25 2.7035-2.7095	2627.00 - 2637.0 1,7030 - 1,7040
Sandi Ar	5.9615-5.9665	3.7500 - 3.7510
Stegapore S. Af (Cm)	3.1055-3.1110 4.1705-4.1815	1.9560 - 1.9580 2.6280 - 2.6310
S, AI (Fix)	6 1175 - 6.2380	3.8535 - 3.929
Tahwan U.A.E	40.95-41.05 5.8365-5.8420	25.80 - 25.85
U.X.E	3.0203-3.0420	3,6720 - 3,6730

DM5bn in the the amount

count facility.

There is also speculation in the market that the Bundesbank may reduce minimum reserve requirements for commercial banks. This would also increase liquidity in the mar-ket. The minimum average requirement for November is expected to be about DM56bn, but there has been so much surplus money around so far this month that on Tuesday banks' reserve holdings stood at DM67.3bn, to average DM65.4bn for the first six days of the month.

of the month.

In London the Bank of England initially forecast a credit shortage of £300m on the money market, but revised this

band 2 at 14% per cent.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £414m, with a rise in the note circulation absorbing £65m and bank balance helpts toward £70m. These

#### FINANCIAL FUTURES AND OPTIONS

				,						
	1.TFFE 1.0	NG GILT With of J	FUTURES ROTA	OPTIONS		LIFFE 85	FTREASU 6436 of	RY BORD ! 100%	TURES	OPTIONS
peaks  drain reserves in New York via overnight matched sale and repurchase agreements. The market believes the Fed may	Strike Price 89 90 91 92 93 94 95	Calls-40 Dec 3-29 2-31 1-37 0-53 0-21 0-08	1450 3-62 3-12 2-31 1-57 1-27	Patt-22 Dec 0-01 0-03 0-09 0-25 0-57 1-44 2-39	11 care is 12 care is	Strike Price 96 97 98 98 100 100 100	1-14 1-22 3-03 2-06 1-14 0-35 0-05	446 446 307 307 146 146	Pre-98 9x 0-02 0-03 0-04 0-14 0-15 1-13 2-05	14.5 9.78 9.52 1.07 1.32 1.40 2.32 3.05
have eased its credit stance, but was not totally surprised when the central bank acted as	Estimated Previous d	volume t lay's open	ctal, Calis et. Calis 19	1085 Puts 160 Puts 1	: 1471 17689	Previous	ay's open !	ntal, Califs int. Califs 32	21 Pets 2	94 \$42

LIFFE E/S OPTEMS £25,000 (costs per £1)

ber US producer prices was higher than expected, but the dollar showed no reaction. In quiet trading it rose to DM1.8485; to SF71.6210 from SF71.6170; and to FFr6.2675 from FFr6.2625, but fell to Y142.80 from	155 160 165 170 175 Estimated of Previous day	y's open int	4.29 1.75 0.53 0.12 0.02 d, Calls (	0.00 1.25 6.25 11.25 Pots 0 1 Pats 16	3 7 12 17	
Y143.15. The dollar's index fell	U.S. TREAS \$100,000 3	3027 802 2mb of 1	DS (CBT) 10%	8%		
to 69.6 from 69.7.  The Australian dollar rose to 79.00 US cents in London. It closed at 78.90 cents earlier in Sydney, in spite of further attempts by the Australian	Dec Mar Jus Sep Dec Mar	13165 199-2 199-2 199-1 199-0 198-2 198-2 198-2	7 99-1 7 99-1 9 99-0 9 98-2	7 99- 17 99- 19 98- 10 98- 12 98-	16 11 10 27 21	99999

opean trading to finish ords the top of the day's the after the Fed acted to EMS EUROPEAN CUR	attempts by the Australian Reserve Bank to check the rise with purchases of US dollars.	Jun Sep Dec Har Jun
dealers expect this move occelerate once the present tramme of US Treasury ions is out of the way.  le dollar moved up in late	to 69.6 from 69.7. The Australian dollar rose to 79.00 US cents in London. It closed at 78.90 cents earlier in Sydney, in spite of further	Signon  Dec  Mar  Jun  Dec  Mar  Jun  Sep  Dec  Mar  Jun  Sep  Dec  Har

Fed funds fell to 8% per cent. The present target for Fed funds is probably 8% per cent,

compared with 8% previously.

POUND SPOT- FORWARD AGAINST THE POUND

**DOLLAR SPOT- FORWARD AGAINST THE DOLLAR** 

EURO-CURRENCY INTEREST RATES

15-148 82-82 12-114 81-81 71-74 73-74 10-91 10-91 10-91 10-91 10-91 10-91 10-91 10-91 10-91 10-91 10-91 10-91

**EXCHANGE CROSS RATES** 

9.943 6.265

3.390 43.90

10. 3.864

68.47 3.006 105.6 4.635

涩

0.877 11.36

0.778 1.200

1.389 4.184

3.308 2.084

1.128 14.60

1 1542

1.785 5.379

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648.4 1000.

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77.22 1000.

1.583 122.2 5.366 4.769 368.3 16.17

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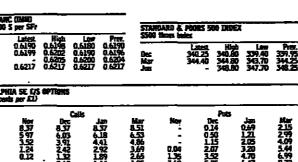
Six Mortic

A rise of 0.4 per cent in Octo-

Dec Har Jus	Ξ	Ė	Ë	98-01 97-25 -	
U.S. TREA Sign points	SURY BILLS I	TMANO High	Low	Pare	
Dec Mar Sep	92.71 93.27 93.34	92.75 93.28 93.34	92.67 93.22 93.34	933 933 939	

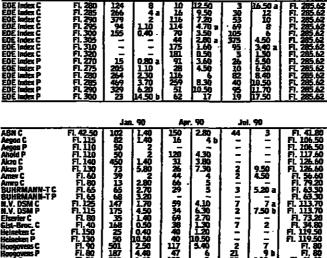
# 0.5415 0.5416 0.5428

0.48 0.27 0.10 0.04 0.02 0.01



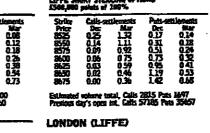
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(LADELP 1,250 (ce	HIA SE (15 ( 古 per (12)	PTERKS						
Strike Price 1.500 1.525 1.550 1.575 1.600 1.625 1.650 trices day	Nor 8.37 5.97 3.52 1.24 0.12 's open list: (	Call Box 8.37 6.03 3.91 2.42 1.32 0.68 0.24 Calls 465,23 alls 40,570	Jan 8.37 6.18 4.41 2.92 1.89 1.14 0.70	Nar 8.51 6.53 4.86 3.69 2.65 1.85 1.85 030 (All carro	%or 0.04 1.35 3.68 6.23 rended clesi	Pat 0.14 0.50 1.15 2.07 3.52 5.35 7.47	3 Jan 0.69 1.71 2.05 3.20 4.70 6.47 8.43	Mar 215 299 4.09 5.44 6.99 8.72 10.52
•	EUR	OPEA	N OF	TIOI	IS E	KCH/	NGE	[
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EUROPEAN OPTIONS EXCHANGE												
		He	ı. <del>89</del>	Fet	1.90	Ma	y 90	l				
5	ierles	Vol	Last	Vol	Lags	Yol	Last	Stock				
old C old C old C old C old C old P old P old P old P	\$ 360 \$ 370 \$ 330 \$ 390 \$ 340 \$ 340 \$ 370 \$ 370 \$ 380	85 60 90 110 5 - 4 165 41	28 19 a 3 0.60 0.20 0.40 1.10	10 85 53 306 100 40 125 40	29 21 50 15.40 10.80 2.10 3.40 6	28 -	18.70 a	\$ 387.90 \$ 387.90 \$ 387.90 \$ 387.90 \$ 387.90 \$ 387.90 \$ 387.90 \$ 387.90				
	Nov. 89 Dec. 89 Jaz. 90											
DE Index C DE ladex C DE Index C DE Index C DE Index C	F1, 280 F1, 285 F1, 290 F1, 295 F1, 300	124 266 379 94 155	8 4 a 1 10 0 40	10 116 116 116 116 116 116 116 116 116 1	12.50 9.50 7.20 4.70 a	7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	16.50 a 19.00 e 19.00 e 19.00 e	FI. 285.62 FI. 285.62 FI. 285.62 FI. 285.62 FI. 285.62				

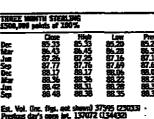


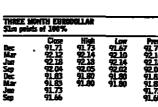
	Ti) A= <b>A</b> sk	FTAL VOL B=		CONTRA C=Call	CTS : 64,	262 Pst		
Wessanes C Wessanes P			2.40 a 1.10 1.10 6.50 1.30 3.70 4.70 0.60 1.80 a		5.80 8.70 4.10 2.50 3.30 8.10 b 3.30 b 4.30 b 1.30 3.20	5	4	fi. 83.50
Yan Oromeren P	150868215049904040404040404040404040404040404040	72 100 232	4.70	32 2666 168 111 129 42 15 20 20	430 b	25	5	F.1.25.66 F.1.23.30 F.1.13.70 F.1.13.70 F.1.13.70 F.1.19.50 F.1.48.60 F.1.48
Royal Dutch P Uniterer G Uniterer P	FI. 160	1029	130	42	356	10	5	FT. 144.30
Royal Dutch C	FL 150	739 134 1475 1475 158 25 501 187 229 545 8 40 78 40 374 160 175 1015 1015 147 1464	頭	说	330	5	4.80	FI. 135.80
Philips C Philips P	F1.50 F1.45	7597	2.40 a	2666	2월	205 5 5	5.30 3 4.80	FL 49 FL 49
HOUGHTESS P HOUGHTESS P HOLL OF C HOLL OYD C HAMB C Nat. Med. C Nat. Med. C Patting C Patting C Patting C Patting C	吊筹	160		12	870	=	[ = ]	FI. 65.80
NMBC	F1. 60	<u>49</u>	2.80 2.72 2.72 1.70 4.50 0.50 0.45 4.40 4.10 4.10 0.50 3.50 3.50 3.60	=	1 1	_	l - 1	Fi. 44.90
KOKP P NEDN 1 OVD Č	FI. 45	级	1.50	1 =	1 = 1		i = 1	FI. 48.60
KLM P KKP C	F1.32	348	3.90	164	126	8	2.70 a	Fl. 48.60
KLM C	F1.50	222	140	122	6 3 5 1.60	15	7 9 430	FI. 46.40
Hoogovers C	F1.90	設計	1250 1250	ᄬ	3.40	2 21 15	7.	F1.80
Helneken P	FI. 130	56	10.50	40	1050	1 =	1 31	Fi. 11930
Gist-Broc. C	F1.40	158	0.50	38	130	7	2	Fi. 34.80
BUHRMANN-T C BUHRMANN-T P M.V. DSM C M.V. DSM P Elsavier C Gist-Broc. C Helseken C Helseken P Hoogoves C Kneedwes P	FI. 115 FI. 80	175	1450	59 34 69 38 40 117 47 122	4.10 6.30 2.70 1.30 1.20 10.50 5.40	<u>2</u>	7.50 6	Fl. 113.70 Fl. 73.20
H.V. DSM C	fi.125	147	170	59	4.10	7 2	7.50 b	FI. 113.70
	뒤.K	65	2.70	29	5	3	5.20 a	FI. 65.30
Amer C Amro C	F1.60 F1.80	33	280	44 56 29	5 5	2 3	. –	Fi 79.20
Akao P	LF 730	12	l awi	J 25	1/-39	! =	9.50 4.50	1 17 120 00

# LIFFE BURD FUTURES OFTIGH DM250,000 points of 200% LIFFE SHIRT STERLING OPTIONS E500,000 points of 190%



£50,000 32mk of 100%								
Dec Mar Jue	Class 92-14 93-15	High 92-16 93-17	92-06 93-08					
Estimated Previous (	izy's open iz	4 (12825) L 36078 (	35745)					
US TREA	SULLY MOND	5 5%						





	NATH EUR			
Dec Mar Jose Sep	91.80 92.04 92.19 92.24	91,82 92,06 92,25 92,26	91.76 92.00 92.15 92.23	91 91 92
Estimated Previous de	votuse 907 sy's open in	71 (11697) 6. 26769 (	24577)	
TRICE M	RTH ECO			

Dec Mar	(3066 89.52 89.91	711gh 89.52 89.93	<b>Low</b> 89.46 89.85
Estimate:	i volunte 334	(687)	
	day's open in	L 950 C.2	209

FT-SE 16 \$25 per 5	i BiDEX oil holex pola	· ·		
Oss. Mar Jun	2725.0 2725.0 2765.0 2705.0	High 2236.0 2274.5	2210.0 2240.0	22 22 23
Estimated Provious d	volume 3606 ay's open lat.	(4851) 31601 (3	2020	
Distance of A	FOREIGN EX	CHANCES		
Snot	l-ceth.	3-mib.	6-ceth	12-

Spot 1.5865	1-eeth. 1.5783	3-mb 1.5620	6-mth 1.5398	12-ests 1-5037
<b>284-57≘31.9</b>	66 \$1 per 1	· •		
Dec Mar Jun	(### 1.5780 1.5550	High I 5800 I 5366 I 5340	Low 1.5766 1.5528 1.5318	Prev. 1.5774 1.5534 1.5320

#### MONEY MARKETS

Wednesday. Longer term rates were soft: 12-month money fall-ing to 14%-14% from 14%-14%

per cent. On Liffe short December sterling opened firmer at 85.30 and closed at the day's

**UK clearing bank base** 

lending rate 15 per cent

from October 5

In Frankfurt call money

bank's move to drain DM4.6bn

than offset by an increase of

high of 85.33.

## London rates ease

C S B Fr.

THERE WAS an easier tone to interest rates in London and Frankfurt yesterday. A firm pound, a cut in prime rates by a number of US regional banks and signs of an easing of US and West German monetary policy encouraged the downward trend. Dealers also said there were hopes that the Park banks can borrow from the Bundesbank under the redisthere were hopes that the Bank of England Quarterly Bulletin, published after the market closed yesterday, would be less bearish than of late.

Three-month sterling has now returned to the underlying base rate level of 15 per cent. The rate was quoted at 15½-14½ per cent yesterday, compared with 15½-15 on Washaday Longor tarm rates.

money market, but revised this to £350m at noon. Help of £254m was provided. The authorities did not operate in the market before lunch, but later bought £254m bills by way of £59m bank bills in band 1 at 14% per cent, £43m Treasury bills in band 2 at 14% per cent and £152m bank bills in band 2 at 14% per cent.

Bills maturing in official

declined to 7.65 from 7.75 per cent, in spite of the Bundesfrom the banking system at this week's securities repur-chase agreement tender. This drain of money has been more ances below target £70m. These factors outwelghed Exchequer transactions adding £245m to liquidity,

#### FT LONDON INTERBANK FIXING Q1.00 a.m. Nov.91 3 months US dollars rest one-sinteenth, of the bid and offered rates for \$10m each working day. The banks are National Westminster MONEY RATES

#1011#1 1=1"- <u>-</u>						
NEW YORK		Treasury Bills and Bonds				
(Lunchtime)  Printe rate 104  Bruter loan rate 91,  Fed. famis 81,  Fed. famis 82,		One month		7.49 Time year 7.83 8.10 Four year 7.79 7.93 Fee year 7.76 7.93 Serie year 7.82 7.79 19-year 7.82 7.79 19-year 7.86		
Nov.9	Overoight	Case Mosth	Two Mottles	Three Months	Sty Months	Loenbard Intervestion
Frankfort Paris  Zurich Ansterdam  Gotop  Grans  Gr	7.60-7.70 92-92 64-65 7.93 58-58 120-125 10-50 94-94	7.80-7.90 991-104 71-75 8.28-8.50 63-65 124-13 94-95 108-101	815830 10 <u>1</u> -10 <u>3</u> 11 <u>8</u> -11 <u>2</u>	815830 104-104 74-73 828838 68-68 124-134 94-93 118-119	810.8.25 10.4-10.4 11.8-12.1	8.00 9.50 - - -
LONDON MONEY RATES						

#### One Year Nov 9 Interbank Offer Interbank Bid Sterling CDs. Local Authority Deps. Local Authority Bonds. Discount Mitt Deps. Company Deposits Fleather House Deposits Treatsury Bills (Buy) Sank Bills (Buy) Fine Trade Bills (Buy) Fine Trade Bills (Buy) SDR Linked Dep. Offer SDR Linked Dep. Bid LIL Linked Dep. Bid EUI Linked Dep. Bid EUI Linked Dep. Bid 1411 15 15 d 148 15 141 153 144 141 1542 143 1317 147 830 830 107 107

Tressery Bills (seif): con-month 14th per cent; three months 14½ per cent; Bank Bills (seif): one-month 14th per cent; three months 14½ per cent; Tressery Bills; Average tender rate of discount 14.56/4 p.c. ECG D Fixed Rate Starling Export Finance. Make up day October 31, 1989. Agreed rates for period November 25, 1989; to December 25, 1989. Scheme 1: 15.66 p.c., Scheme 18 & Hi: 16.22 p.c. Reference rate for period Sept. 30, 1989 to October 31, 1989. Scheme 14.87: 15.064 p.c. Local Authority and Finance Houses seven days notice, others seven days inches a per cent. Certificates of Tax Deposit (Series 6); Deposit 8100,000 and overheld under one month 11½ per cent; one-their months 13 per cent; Under E100,000 11½ per cent; from Oct 9,1989, Opposits withstrawn for cash 5 per cent.

#### BASE LENDING RATES Nativistatistis 15 Northern Bank Ltd 15 Northern Bank Ltd 15 Northern Bank Ltd 15 PRIVATionies Limited 15 Provincial Bank PLC 16 R. Raphael & Sons 15 Revisarie C'ranive 151 Northern C'ranive 151 Corner, Bir M. Fast Co-operative Bank Consts & Co Cypner Popular Bit Danker Bank PLC Descan Lawrie Espationial Sant pit English pit Englis Restargle 6' rastee Rayal 8k of Scotland Royal Trust Back Smith & William Secs. Standard Chartered 8 & C. Merchant State Bank of Baroda Banco Bilbao Vizzaga Bank Happellon Bank Creift & Comm Bank of Cypris Bank of Syris Bank of Surtiand Bank Bank PLC Brit Sk of Mild East Brit Skrif Mild East Brit Skrif Mild East United Bit of Kinesit United Micrail Bank Unity Trust Bank Pic Western Trust Western Trust Western Trust Hambros Bask \_\_\_\_\_\_ Hampshire Trust Pic \_\_\_\_ Heritable & Gen lav Baik . HIH Sammel ..... C. Hoare & Co. Brown Skipley Besiness Mitge Bank PLC CL Bank Hederland C. Hoare & Co. Honglong & Skaugh Leopol Joseph & Sens Lloyds Bank Meghraj Bank Lid McDonnell Douglas Bok Minitani Bank Mount Banking Bat Bit, of Kowatt

#### WORLD

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NOTICE OF PURCHASE



EUROPEAN INVESTMENT BANK 8.00% ECU Bonds of 1988, due 19th October 1998 Pursuant to the Conditions of Issue, notice is hereby given to Bondholders that during the eleven-month period ending 19th October 1989, Ecu 6,954,000. of the European Investment Bank's 8% Ecu Bonds due 19th October 1998, were purchased.

As of October 19, 1989, the principal amount of such E

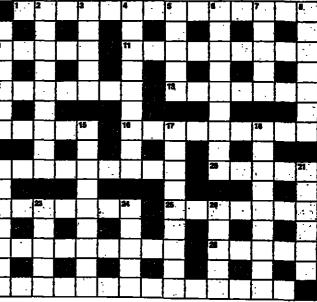
ECU 93.046.000.

November 10, 1989

EUROPEAN INVESTMENT BANK

**JOTTER PAD** 

CROSSWORD No.7,086 Set by MUTT



ACROSS

1 Opening that could be a source of reliable information (3,6,5)

10 Flattened by the full range being in colour (5)

11 Some half ploughed furrow left, how sad (9)

12 Swipe cut short cat's contentment with the joint of meat (7)

mest (7)
13 What's held in 1 across, being caught in the act, charged (7)
14 Cockney's mate in the coun-

try (5) Ungenerous and finicky about a retired doctor (9)

19 Give way, for example about points of colour (4-5)

20 Boat for back-waters (5)

22 Something added, notice, to

overhang surrounding New Church (7)
25 Can you say 'ow such an animal got transported to this place? (3-4) 27 Blurt tune out, being vio-

lently disturbed (9) Nothing inside greedy miss

(5)
29 Slinging gin-end-it. Gert is going all to pieces (14)

DOWN

2 Taking a chance, say, has put one in grand form (9) 3 Turn up ring road to youth hostel and hotel (5) 4 Vibration on a screen

(5) 26 Out of turn, to be precise (5) Solution to Puzzle No.7,086 SOUNDER TO PUZZE NO.7,088

SWASTIKA SCRAWL
P. R. E. N. A. R. G. A.
R. E. G. A. A. R. G. A.
R. G. A. R. G. G. A.
R. G. A. R. G. G.
R. G. A. R. G. A.
R. G. A. R. G. A.
R. G. A. R. G.

5 Upset, the German soldier

went astray (5) 6 Night lights affording a lit-

7 One may be strong hearted but not healthy (5) 8 Oh, Lydia, give us a break

9 Getting right into the subject of Capricorn, perhaps (6)
15 Indian tribe, one of five, fill-

lowing almost unsteadily (9)
17 Starter gets officer almost over the hill (9)
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### FINANCIAL TIMES FRIDAY NOVEMBER 10 1989 **WORLD STOCK MARKETS** INDICES 1532.01 (5/9/89) 227.83 (22/1/67) mo uch Door B Fre Provincia is (Fred Saul-Scaula B Free Saula (B Free Stan English Stan English Str B Free St Koppart's A Free Isto Dell'so B (Free Isto Handelshin, mellishen a Free طيزالات STANDARD AND POOR'S 199.34 69/10/899 397.03 (10/10/89 485.73 69/10/89 HONG KONG Kang Seng Bank (31/7/64) Oct 27 Oct 20 3.95 **古古小者主義氏、女本寺を上古書を持ち書と書が、古の教命・1 · あかんを自当** NEW YORK ACTIVE STOCKS TRADING ACTIVITY Closing Change price on day 915 - 12 14 - - - 415 + 14 2014 - - 914 + 114 534 + 15 //16 - 14 2015 - 12 2015 - 15 3212 + 1 CANADA TORONTO Travelling by air on business? TOKYO - Most Active Stocks ... AMSTERDAM with British Airways, British Midland, Canadian Pacific Air, Finnair, KLM, Luthanna, Pan-Am, SAS, Singapore Airlines, Thai Airways International Teneral **FINANCIAL TIMES** From coast to coast, the Financial Times is now available for hand-delivery... 44 420.5 45 45 410 410 40.1

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## NEW YORK STOCK EXCHANGE COMPOSITE PRICES

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#### NASDAQ NATIONAL MARKET

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

## Producer prices figures provoke little reaction

#### Wall Street

SHOWING little reaction to yesterday's October producer prices figures, the equity mar-ket drifted in a narrow range throughout the morning session, writes Janet Bush in New At 2 pm. the Dow Jones

Industrial Average was 9.22 lower at 2,614.14 in volume by midsession of only 88m shares. While US Treasury bonds were given a mild boost by yesterday's Producer Prices Inc there was little reaction in the equity market. The PPI rose by 0.4 per cent in October exceeding forecasts of a gain of only 0.2 per cent. Nevertheless, once the volatile food and energy components were

stripped out, the gain last month was only 0.1 per cent. The bond market rose about % point at the long end at midsession, seeing the figures as more evidence of subdued inflationary pressures.

It is now all but certain that the US Federal Reserve eased monetary policy earlier this week, taking its target for Fed Funds to 81/2 per cent from 8%

per cent.
The lack of buying yesterday suggests that the equity market's positive reaction to the easing it was so fervently hoping for was completed on Wednesday when the Dow

An analysis of the quality of that rally does not make encouraging reading. The mar-ket began on Wednesday with broad-based buying which took

RIDAY the 13th came out of the horror films and into stock

and into stock exchange parlance in October, as the

Wall Street mini-crash was

reflected, after the intervening weekend, in a grisly combina-tion of high volume and drop-

ping share prices on continen-tal bourses.

for the month as a whole, therefore, are split by a water-

shed: there was early growth

ended September mostly tired and unemotional; then came

an October 16/17 peak, in near-

panic; and, thereafter, a decline, foreshadowing much

less healthy figures for Novem-

ber, unless something happens soon to put business on an

upward gradient again.
Outstanding in October were
France. Belgium and the

Netherlands. The French had moved from one speculative

stimulus to another, from the Suez/Victoire/Industrielle

affair in August, through Navigation Mixte, Bon Marché and Béghin-Say in September, to

the full-scale Paribas/Mixte

There was also, notes Mr James Cornish of County Nat-

West WoodMac, fundamental appeal in the slowly-evolving strike situation at Peugeot,

which seemed to give the mar-ket an extra lift when it was

settled towards the end of the month, and in the Thomson

CSF/Credit Lyonnais financing

as their stock exchange's new

Computer Assisted Trading System broke down on October

16, and lost what would other-

wise have been a flood of busi-

ness. They were back to black-

NATIONAL AND REGIONAL MARKETS

Figures in parentheses show number of stocks per grouping

Australia (85)

Austria (19

Belgium (63)

The Belgians had a period of embarrassment in mid-month.

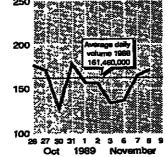
deal at about the same time.

battle in October.

European turnover figures

additional factor that helped was a refocusing on potential takeover activity, with the UAL board clearing the way for management to explore buy-out or restructuring plans. However, the market advance stalled in the afternoon session and started to backtrack.

**NYSE** volume Daily (million)



The Fed's decision to ease policy before the quarterly refunding (the first auction of three-year bonds was held yesterday) was consistent with past practice, by which the Fed has made its policy stance clear so that investors properly know the basis on which they

are bidding. However, it may be that all potential positive news for both markets has now been absorbed. This could leave bonds vulnerable as the market digests the auction issues and gives equities little poten-tial for encouragement over

Unlucky 13th frightens

Continent into activity

Belgium

data estin

William Cochrane on October's turnover figures

89.6 174.8

104.6

20,010.0

board prices and the old open outcry system two days later,

returning to the computer on Tuesday, October 25.

Nevertheless, the market reported a rise in volume and

ran 60 per cent ahead of Octo-ber 1988. As in France, take-over speculation helped before

Raffinerie Tirlemontoise's sale of its sugar refining activities

to West Germany's Südzucker. Germany, flat for the month as a whole, made a slow start,

reached average business for the period from June to Octo-

ber in mid-month, and then achieved what Mr Cornish

describes as a "tremendous spike" in the volume charts on the 16th and 17th of the month.

After that, it declined with a vengeance and the Frankfurt

bourse, which has about 55 per cent of the market (Düsseldorf

running second with 25 per cent) hit its lowest level for

five months on October 30. West Germany has not

shown the tenacity of France

in clinging to pure speculation as a support for share prices

and business. It has also been

worried about the weight of

funds required by pending

WEDNESDAY NOVEMBER 8 1986

Day's Change

150.70

148,94

coming weeks.

A modest easing in policy may not be enough to allay fears in the stock market about softness in corporate profits in the fourth quarter.

Among featured stocks was Philip Morris, which rose \$1/2 to \$42 % after the company said that it expected a \$450m pretax gain on its sale of its 29.35 per cent stake in Rothmans International B shares.

Walt Disney rose \$1% to \$124% after the company reported net income for its latest quarter about 56 per cent higher than a year ago.

Consolidated Freightways slumped \$2% to \$28 after the company told analysts that its fourth-quarter results would be

near break-even, with a chance of a loss. Wyse Technology added \$1 to \$10%. The company is known to be in talks with one bidder at \$10 a share, but there was speculation that there may be more than one suitor. Stride Rite jumped \$3% to \$28% on rumours that Reebok

International was interested in

acquiring the company.

#### Canada

**EUROPEAN EQUITIES TURNOVER** 

Monthly total in local currencies (bn)

145.8

104.5

16.6

605.0 14.7

trading. Some figures may be revised. Source: County Nat-West WoodMac

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood

Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

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rights issues for names such as

Daimler, Mannesmann and,

more recently, Preussag, although this money is often

being raised in pursuit of ambi-

autumn and which is looking at a prospective decline in

November. Mr Roberto Morelli of County notes that the

November account, which ends

in six days' time, is known as

Meanwhile, Spain's apparent leap in September turnover has

been revised out of existence. Mr Cornish notes, charitably,

that the country is moving on

to a continuous market system

at the moment, and getting

trading right may be seen as more important than the statis-

and inflation and currency

TUESDAY NOVEMBER 7 1995

"the account of the dead."

However, the rights issue argument is seen as more seri-ous in Italy, which has also been paying for a busy summer with quieter days in the

tions on the takeover front.

LIGHT TRADING left Toronto stocks flat at midsession. The composite index firmed 4.1 to 3,940.1 on volume of 15.7m shares. Advances led declines by 256 to 239.

The gold index slipped after rising for the last three weeks, as the bullion price weakened The oil and gas sector led gains, with Ranger Oil up C\$%

## Reunification fever takes hold in Frankfurt

LIFTED initially by Wall
Street's overnight rally, leading continental markets mostly held on yesterday to find inspirately being continental markets mostly held on yesterday to find inspirately being continent of the continent ration elsewhere, *writes Our* 

Markets Staff.
FRANKFURT saw reunification fever strengthen its hold, boosting any stocks which could benefit from closer ties between East and West Germany, or from the influx of immigrants from the former to the latter. The principal beneficiaries, again, were construc-tion and consumer-related stocks, together with shares of companies with assets in Ber-lin, in anticipation of the city's becoming a leading economic

The FAZ index rose 12.32, or 2 per cent, to 623.07 and the DAX index gained 21.17, or 1.5 per cent, to 1,462,96; over the past two sessions, the bourse has more than recouped the ground lost on Tuesday. One server warned, however, that the rises had been story-driven, rather than based on strong economic fundamentals, and that turnover was still modest at DM4.4bn.

In constructions, Hochtief surged DM70, or 8 per cent, to to DM1,058, Strabag DM27 to

The retail sector saw Kauthof gain DM17 to DM549, Horten increase DM14 to DM294 and Karstadt add DM9.60 to DM571.

Elsewhere, Siemens rose DM11.50 to DM545.20 on specu-lation that it would lift its dividend, and Commerzbank rose DM8.50 to DM255 amid talk that someone was accumulating stock.

Thyssen, the steel and engi-

neering group, gained DM4.30 to DM213.80; in the afternoon it announced the acquisition of Otto Wolff, a large, unquoted engineering company. Another engineer, Linde, added DM8 to DM726 after reporting a 32 per cent rise in nine-month group sales, and energy and chemi-cals concern Veba rose DM7.70 to DM321.50, also on positive nine-month results.

Preussag eased DM4 to DM308 after pricing its threefor-four rights issue at DM225. PARIS again sought guid-ance from Wall Street and ended with only a small rise, but individual stocks once more provided a bit of life. Metaleurop continued to

Rumours were that Ishikawajima's shares were being bought by two real estate groups, seek-ing strategic stakes to obtain bargaining power in the land

The company's plan to issue warrant bonds was cited as

another reason for the recent boost to volume and share price, the implication being

that the price was being sup-

Towards the close, steels rose sharply on index-linked

ported before the event.

development project.

ISTANBUL share prices ISTANBUL share prices surged 3.8 per cent as investors hoped for greater stability after Mr Turgut Ozal, former Prime Minister, took the oath of presidential office yesterday. The index rose 56.19 to 1,544.14.

benefit from speculation that Imetal, a leading shareholder, would sell part of its stake. It rose FFr9.70 to FFr266.30 for a two-day jump of 16 per cent. Navigation Mixte resumed trading after its suspension on Wednesday for news of Pari-bas's full bid, and the price climbed FFr31 to FFr1,855. Swiss Re said that it had sold its stake of about 3 per cent in Mixte to Allianz, the West German insurance company. Meanwhile, Paribas announced

holding company, had bought about 4 per cent of its capital, and it rose FFr9 to FFr615. Construction stock GTM-Entrepose jumped FFr75 to Entrepose jumped FF73 to FF71,100, or 7 per cent. This was apparently a bounce-back from selling triggered in September by a downgrading of analysts' profit forecasts, and from worries over the price-fixing fines facing 80 building

that CIPBF, a Luxembourg

major holding.
The OMF 50 index edged up

3.31 to 493.46 and volume was estimated at FFr2bn or less, after FFr2.09bn on Wednesday. AMSTERDAM was unsettled by disappointing results from Royal Dutch, which knocked it off an upward trajectory. But another good performance by Philips, and partial recovery by Royal Dutch, helped the CBS tendency index close 0.2 better

at 178.6 in turnover of Fl 696m. Royal Dutch ended 80 cents weaker at Fl 135.80, well up on tis low of Fl 134.20, in line with London. It reported a 16 per cent fall in third-quarter net profits to £652m.

Philips went the other way, as the perceived benefits from the flotation of its Polygram subsidiary were enhanced by a "strong buy" recommendation from Crédit Suisse First Boston. Philips gained Fl 140 to Fl 49. It also announced a cooperation agreement with Motorola of the US to work on the compact disc interactive (cd-i), its multimedia product.

ZURICH opened in vivacious
style, but closed only slightly
higher as profit-taking set in.

The Crédit Suisse index rose

companies, including Jean-Lefebvre, in which GTM has a major holding. 2.7 to 599.1. Union Bank bear-ers gained SFr30 to SFr3.610 after the bank's chairman predicted another good perfor-

mance in 1990.

MILAN edged higher in subdued trading, with the Comit index up 2.20 at 646.36. Speculative buying enlivened Ferruzzi group shares, with Ferruzzi Agricola up L53 at L2.380 and Ferruzzi Finanziaria rising L15 to L2,855. La Fondiaria, the Ferruzzi group insurer, how-ever, lost L50 to L55,100 after official denials that Suez of France was in talks to acquire

the company.
STOCKHOLM remained underpinned by ABB's strong interim results on Wednesday, but volume was a low SKr216m and the Affarsvärlden General index was up just 5 at 1,223.4. OSLO edged higher in mod-erate trading. Kvaerner gained NKr13 to NKr158 after the defence ministry awarded a NKr2bn contract for nine mine-

sweepers to a subsidiary.
COPENHAGEN recovered a little ground on news of a fall in the current account deficit and a firm bond market. The index rose 1.88 to 342.68. MADRID was closed for a public holiday, but trading con-

#### **ASIA PACIFIC**

## Interest rate confusion leads to indecision

buying, apparently by foreign investors, in a market with few sellers. Nippon Steel firmed Y20 to Y741.

#### Tokyo

over the market yesterday, as contrasting signals on the interest rate front combined with technical trading to move share prices indecisively up and down, writes Michiyo Nakamoto in Tokyo. The Nikkei average closed

the day up 61.83 at 35.657.42, after hitting a record high of 35,690.25 and a low for the day of 35,460.63. Gains only slightly led losses by 481 to 432 while 193 issues were unchange Turnover was hardly changed at 855m shares, up

There were three main moves on the day. In early trading, it was upwards, and the market appeared set to ride on the tail of Wednesday's strong rally. Then, after the Nikkei had breached its previous high, there was heavy profforeign firms, on the last day of trading for options due in November, helped share prices

signs of monetary easing in the US and a strengthening yen had encouraged the perception that interest rates were coming down. Yet short-term interest rates in Japan remained high. Meanwhile, Mr Satoshi Sumita, the Central Bank Governor, reiterated his commitment to checking inflationary pressures, leading once again to expectations of an increase in

Mr Nicola Salatti at UBS Phillips and Drew.

They seemed to gravitate towards companies with special attractions, which might offer a quick profit. Toyobo, a leading textile maker,

#### **SOUTH AFRICA**

1969 High

126.92 125.41 131.58

tics for the time being.

The Swiss, he observes, are conditioned to duck when bonds are a difficult market AFTER a surge at midday, as the bullion price firmed, Johannesburg gold shares closed mixed as the metal eased to about \$387 an ounce. worries prevale. Certainly, they have been less adventurous over the past two months.

DOLLAR INDEX

128.28 92.84 125.58

advanced Y55 to an all-time high of Y1,040, as rumours circulated that the company's shares were being bought by speculators. Toyobo finished up Y15 at Y1,000.

Companies with assets in lead the featured with Ishiba AN AIR of uncertainty hung land also featured, with Ishika-wajima-Harima Heavy Indus-tries posting a rise of Y60 to Y1,380. It was popular for its property along the Tokyo waterfront, which is to be developed, and topped the volumes list with 47.4m shares.

from the 853m traded on Wednesday. The Topix index of all listed shares climbed 9.81 to 2,684.12 and, in London, the ISE/Nikkei 50 index rose 4.99 to

rise later in the day.

As a background to this.

the official discount rate.

Short-term considerations, understandably, dominated investors' thinking. "Investors don't know what to buy

# FIERA MILANO

Bombay shares recovered from a three-day decline as curbs were imposed on eight particularly volatile stocks to stop excessive speculation

Osaka put in a better perfor-nance, with the OSE average up 171.93 at 36,653.37. Volume, however, slipped to 63m shares from 81m on Wednesday.

#### Roundup

BOTH Hong Kong and South Korea allowed themselves specific reasons to celebrate yesterday, while the rest of the region had less to say for itself. HONG KONG, which only two months ago was falling on reports that Chinese leader Deng Xiaoping was ailing, yesterday leapt ahead on news that he was resigning.

The explanation seemed to be that investors welcomed Deng's swift replacement by Jiang Zemin, the Communist Party Secretary, who is a Deng protégé and is seen as a rela-tive moderate. However,

before elections in two weeks' time.

doubts were being expressed yesterday about whether Mr Hang had enough of a power base to control the army.

The Hang Seng index climbed 50.37 to 2,781.44 in much better turnover worth HK\$905m, compared with

HK\$678m on Wednesday. SEOUL surged ahead on talk that the Government would introduce measures to boost the economy and that institutional investors had been told to buy shares. Active trading saw the the composite index jump 34.33, or nearly 4 per cent, to 907.21.

AUSTRALIA closed weaker, the All Ordinaries index easing 8.0 to 1,650.4 as investors took

A FAIR

21 - 25 March 26° Comis/Pel

March Software Market IBM

22 - 24 March Moda In Fabrics and Accessories

Int'l Furs Market

their profits in golds and industrials.
The weakness extended to banks, where National Austra-lia Bank led off the results sea-son with record profits, up 47 per cent, and saw its shares fall 2 cents to ASA-70; Westpac

lost 4 cents to A\$4.98.

SINGAPORE remained quiet, although interest continued in some property stocks, notably Singapore Land, up 30 cents at \$\$14.90. The stock benefited from news that the G.B. Building was up for sale at \$31,400 per sq ft, which provoked speculation that the Standard Chartered Building might raise up to \$\$2,400. This would aphance the asset value of enhance the asset value of Singapore Land, which has the biggest exposure to office prop-erty in the Central Business

The Straits Times industrial index edged up 3.93 to 1,325.24 in low turnover of 44.5m shares, up from Wednesday's

pav. SUD

## Calendar of Events.

Milano Collezioni Llomo January January Milanovendemoda Uomo 18 - 22 January Chibicar '90 Int'l Gift Articles, Knick-Knacks and Perfumery flems 18 - 22 January Cart '90 Int'l Stationery Exhibition

4 - 6 February Mias Invernale '90 pay. S Int'l Market of Sports Articles and Camping Equipment 6 - 9 February I. CO. GRAPHICS Int'l Computer Graphics Congress

16 - 19 February Millor

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# first half of 1990

23 - 26 March 9° Eurocucina Int'i Kitchen Furniture Exhibition 25 - 30 January 28° Salone Internazionale del giocattolo pav. SUD 9 - 12 February Macel Spring '90 Int'l Household Articles, Gift Articles, Silverware and Goldsmith Products

23 - 25 March Milanoffi '90 Stamp-Collecting 30 March - 8 April Internazionale dell'Antiquariato Antiques 1 - 8 April 15° Mipan Int'l Exhibition of Machinery, Equipment and Products for Bread and Pastry-Making 4 - 8 April Fluidtrans Compomac
Int'l Power Transmission Drive and Control
Equipment and Engineering Design Biennial Exhibition 21 - 29 April Grande Fiera d'Aprile Trade Fair 21 - 29 April Euronatura . Natural Foods, Products and Cosmetics 21 - 29 April Verde Incontro The Garden of Gardens 9 - 13 May Movint '90 Int'l Exhibition of Industrial Goods Transfer 11 - 14 May Mido '90 Int'l Optics, Optometry and Ophthalmology Exhibition 11 - 14 May 15º Mlad Int'l Confectionery Exhibition 24 - 27 May Star '90. pav. SUD Int'l Household Furnishings Textiles Exhibition 24 - 27 May Settore "Editori Tessili" Floor Fabrics, Carpeting, Wall Coverings 24 - 29 May Interbinati '90 Int'l Machinery and Accessories for Wood Processing Biennial Exhibition 24 - 29 May 12° Sasmil Int'l Exhibition of Accessories and Unfinished Products for Furniture Manufacturing and Finishing 1 - 4 June Chibidue '90 Int'l Gift Anticles, Knick-Knacks and Perfumery Items June Esma Int'l Knitwear Exhibition 11 - 14 June Come Corporate Communications and Publishing Show

149.32 130.77 137.70 148.49 210.42 125.48 128.58 92.85 115.79 156.14 183.50 191.50 191.50 191.50 191.50 191.50 191.50 191.50 191.50 191.50 191.50 191.50 191.50 191.50 191.50 140.02 122.63 129.13 139.25 197.33 117.67 120.87 86.88 146.42 82.99 179.58 272.05 114.58 70.16 160.29 144.92 151.96 146.19 78.84 132.31 127.58 149.68 97.02 131.80 116.83 147.70 125.82 110.05 86.29 105.91 131.03 85.92 177.16 141.78 126.59 131.25 128.18 205.10 112.13 127.19 89.34 115.85 153.15 87.79 167.30 201.65 639.82 118.10 67.63 162.01 141.78 137.83 164.95 86.14 133.84 153.15 154.95 1.92 4.22 3.254 2.51 2.592 2.89 2.60 4.49 5.60 2.398 3.79 2.198 2.198 3.79 2.38 139.18 197.24 117.18 87.02 107.79 146.37 181.35 172.78 181.35 172.78 181.32 116.12 70.07 181.80 145.05 145.05 146.19 154.17 219.89 159.16 139.94 103.84 140.38 166.69 96.73 200.11 209.22 326.61 131.72 88.18 198.39 170.62 166.67 169.75 188.94 94.41 124.67 165.35 123.12 112.57 79.56 85.41 125.00 74.97 164.23 143.35 153.32 110.63 62.64 139.92 124.57 115.35 143.14 138.45 67.86 148.94 211.06 125.39 129.68 93.12 115.34 156.63 87.06 184.89 194.02 291.39 124.26 Finland (26).... France (127)... 112.34 Nursery-Gardening Tools and Accessories 112.34 126.21 88.84 116.15 152.79 88.20 166.74 199.13 West Germany (96)...... Hong Kong (48)..... 20 - 24 February USA TECH EUROPA 21 - 25 February B.I.T. '90 Japan (455)..... Malaysia (36)..... Mexico (13)..... Int'l Tourism Exchange 199.13 834.20 116.05 67.48 160.44 139.69 140.57 137.29 163.31 84.31 132.31 166.23 109.70 73.05 123.16 122.28 117.15 2 - 6 March Milanovendemoda Studio Nethorland (43) 124.26 74.99 172.92 155.22 166.67 156.44 173.83 85.93 143.22 137.41 Singapore (26) 2 - 6 March Milanovendemoda Donna Italia Spain (43)..... 151.78 133.58 85.20 137.20 Sweden (35). 2 - 6 March Contemporary Presentation of Avant-Garde International Fashion 80.30 133.84 128.41 Switzerland (64). United Kingdom (306).... 136.05 146.29 112.13 111.54 Collections 132.95 178.38 194.72 166.98 146.66 118.51 140.05 166.35 156.04 116.87 153.34 163.65 144.94 136.71 106.51 118.16 144.51 142.88 142.02 129.06 114,36 155,25 168,72 147,04 128,18 115.13 155.86 121.95 165.56 179.92 156,80 136.69 109.44 131.51 156.65 Europe (996)..... 123.20 166.79 +0.9 +0.6 +0.3 +0.5 +1.0 +0.7 +0.3 +0.5 +0.6 +0.7 +0.9 115.83 112.63 114.52 3.59 1.85 0.73 1.64 3.35 2.90 4.81 1.71 2.02 2.23 152.45 163.11 144.20 135.42 137.95 160.44 141.56 112.79 126.85 173,19 149.74 111.80 2 - 6 March Modit Pacitic Basin (668)...... Euro - Pacitic (1664)...... North America (668)..... 180.84 157.86 137.99 110.19 Int'l Presentation of Women's Collections + 1.0 + 0.7 Europe Ex. UK (690)... Pacific Ex. Japan (21) 102.97 123.49 147.38 140.22 102.63 123.32 146.90 139.71 105.76 117.86 143.79 96.30 111.93 141.49 136.98 136.67 114.51 100.24 125.51 148.28 133.84 134.23 113.46 4 - 8 March Milano Collezioni Pacific Ex. Japan (213)... World Ex. US (1859)....... Presentation of Autumn/Winter '90-91 Collections 148.98 148.17 131.33 8 - 12 March 27 Mostra Convegno Expocomiert
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#### **JOBS**

## Where international relations break down

By Michael Dixon

Being unable to hear readers' immediate reactions to the question, the Jobs column might as well take a guess at what they are. So

Those of you who are Swedish will most likely be appalled by the idea, and the British and Americans only a little less so. The Dutch and West Germans will be

On the other hand, the suggestion will not seem outlandish if you are Italian.

Spaniards will find it fairly reasonable and Austrians reasonable, and Austrians still more so — despite the contrasting view of their German neighbours.

I make those guesses with the aid of David Wheatley of the Employment Conditions Abread consultancy in London. He and an associate

tondon. He and an associate at Wharton Business School in the United States have spent years bestrewing questionnaires around the world to identify differences in national cultures.

With over 10,000 responses in their computer, they can now chart a lot of the points where folk of different nationalities typically find themselves at cross-purposes. The developing sketch-map is handy even for people fluent

WOULD you go and paint your boss's house, for free, on a Sunday?

In foreign languages. Far from preventing mutual misunderstandings, a shared water them. vocabulary often makes them

> say why. An executive from Digital's European headquarters lately told me it was amazing what the company's managers would now do at the mere mention of 1992. The reason is probably that they would do anything rather than listen to another

> Suffice it to say that from now on individual careers can only be hampered, and employing organisations' resources be wasted, by ignorance of how the rest of the world works.

Nevertheless the pointers provided by Mr Wheatley's research, which focus at a national level, are far from precise. For one thing cultures can change sharply within a few miles of the semiland — as I appearate the same land – as Lancastrians like myself and Yorkshire folk like Martians will both testify. For another, in any proup sharing a culture, there will usually be a few individuals relatively lightly marked by it and a few dyed to the bone, with the bulk shaded somewhere between.

That explains the method

used to measure differences.

albeit on the national plane. When the replies of people of the same land to a particular question are plotted on a graph, the result is a bell-shaped curve. It takes off the more dumbfounding.

Besides being handy, the effort is timely. (I won't from the few least affected, goes up and down over the majority in the middle, then tapers off to the few at the

other extreme. The score for each nation is struck, in terms of a percentage, at the highest point from which the bell would hang. Devising a way of gauging culture is not the same thing as being able to say what it is. David Wheatley suspects that its root lies in the fact that there are many plausible answers to life's deepest questions. What marks one culture off from the next is that, in each case, its that, in each case, its members have adopted some specific set of those answers so wholeheartedly that they have forgotten there were

The signs

questions to be asked on the topics in the first place.

He thinks the variances show in three main contexts. One is the attitude of the society concerned to time. Second is their beliefs about the bases on which people relate to one another. The last is their notions of how humans fit in with nature.

Mr Wheatley told the recent conference of Britain's Institute of Personnel Management that the time context could be pictured by a food shop full of customers each wanting various items, first on the list being salami. Those who are north

Europeans or Americans would typically expect that, would typically expect that, when it was their turn at the counter, the shopkeeper would serve them with all the things they wanted before attending to the next in line. But in Italy, for example, after cutting them the salami the shookeeper would probably ask if anyone else wanted some and, if so, promptly cut theirs as well.

Morever, of those two
attitudes to time, the Italian one is by far the more wide-spread throughout the world. The same applies to the two main patterns of belief about

the bases on which people rightfully relate. In the case of someone met for the purposes of work, the north Europeans and Americans usually view the relationship as primarily one between business associates, which always takes pride of place over any friendship that develops in its train. So, with a deal in the balance, they tend to abhor any offer of gifts before it is signed as tantamount to corruption,

although being happy to treat the other party to a slap-up dinner afterwards.

Most others in the world think the process works the opposite way. Their typical view is that since it is untrustworthy to do business except with friends, the right course is to cement the friendship with hospitality before settling down to discuss the deal at all.

Precedence

Another gauge of beliefs about relationships is the value put on the interests of individual members of a group on the one hand, and on the other on those of the group as a whole. Here are the researchers' percentage measures of the extent to which different nationalities see the individual's interests

as rightly taking precedence. American Swedish British Portuguese Irish Austrian Spanish Italian West Germans French

Japanese

The third main context in which cultural variances emerge is in notions about how humans fit in with nature. The fundamental split is around the question whether nature is essentially malleable enabling people to adapt it to their wants, or adamantine requiring them to adapt themselves to it.

Here are the percentage easures of the degree to which the same nationalities think that the mountain can be made to travel to Mohammed, as distinct from mentally booking the ticket

the other way round. American Portuguese West Germans Belgian 72 70 68 62 61 60 58 56 53 51 British Greek Swedish French Dutch Spanish <u>Italian</u>

As David Wheatley said when he flashed up that ranking on the conference room's screen: "Is it any wonder, when you look at figures like those, that the Japanese seem to be the most culturally adaptable people in the world?"

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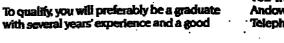
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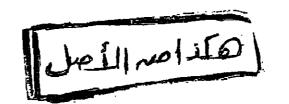
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VENTURE CAPITAL

We are releating independent venture capital management company responsible for some £50m of institutional funds. We are currently raising our third development capital fund and are accordingly recruiting additional staff.

Initially, we shall be taking on two senior and two junior venture capitalists. Candidates for the senior posts should be in their mid-thirties and have at least four years experience of venture/development capital work, including generating and assessing propositions, structuring and negotiating transactions, monitoring investments by boardroom representation and effecting realisations. The ideal CV will include a degree and professional qualification, but more important will be track record and contacts in the field.

The junior posts offer an unusual opportunity for a rapid increase in experience and responsibility. Candidates should be in their mid-late twenties and are likely to have at least two years' experience in a venture capital management company in addition to either a professional qualification or a degree or both.

We offer an intelligent, compatible working environment free from bureaucracy and corporate politics. We value investment judgement, the development of companies and successful results above the glamour of mega-deals. We are now at an important stage of our own expansion. If joining us at this time might appeal to you, write with init CV in strict confidence to:

**David Secker Walker** Causeway Capital Ltd 21 Cavendish Place LONDON WIM 9DL

等级6 生物形式 **MANAGING DIRECTOR** 

EUROPE (Designate)

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THE OPPORTUNITY Due to the impending retirement of our present Managing Director, during 1990, the opportunity now exists to spearhead the expansion of WD-40 Company Limited, manufacturers of the world's leading all-purpose

maintenance, spray lubricant.

"The U.K. operation is a subsidiary of WD-40 Company, California, listed on the US Stock Exchange with other subsidiaries in Canada and Australia and world-wide sales of 100 million \$ US p.a. We have embarked up on a programme of vigorous growth throughout Europe, Africa and the Middle East.

THE CANDIDATE Your background will be in Sales and Marketing, although you will be fully accountable for all aspects of company performance, taking a leading role in shaping overall strategy.

The willingness to travel and international experience are pre-requisites, as is a demonstrably successful track record.

The working language will be English and Knowledge of a second European language would be an asset.

Likely to be aged 40-45, you will have the ambition and personal qualities to lead a thriving company into the next phase of international development, and expect to be rewarded with a suitable package which includes stock options and profit share.

You will be based at our purpose-built European headquarters in Milton Keynes, an excellent work environment.

--- Please only apply with detailed c.v. in the first instance to our advertising agency at the following address. All applications will be treated in the strictest confidence and forwarded to WD 40 Company, who will conduct the interviews.

Mr lan Davidson, Ref. WD-40 MD, The Harrison Agency, 214 Fiturey Street, London WIA IAT.

A MAJOR LS. OPPORTUNITY

## **Director** — Information Systems

c. £70,000 plus significant bonus and share-owning opportunities

Fidelity is one of the largest and most successful investment management organisations in the world. Fidelity Management and Research Corporation better known as FMR - was founded in Boston in 1946. Fidelity International Limited was established in Bermuda in 1969, Though separate companies, both privately owned, they share the same basic investment and management philosophies which have contributed to Fidelity's success around the

Fidelity International is a truly global organisation with an important network of investment management companies covering the world's principal stockmarkets. Our competitive advantage is superior investm performance supported by superior nacketing and excellent and innovative

levels of service to our clients.

We are committed to continue our investment in Technology to sustain and strengthen both our international network supporting our investment professionals and national systems serving our retail and

PA Consulting Group

institutional clients. This commitment, the quality of the organisation and the real prospect of significant international growth to meet business opportunities combine to create an exceedingly attractive senior LS.

Candidates must have strong business, management and technical abilities with solid experience and understanding of financial services. Previous success in delivering high-quality systems will already have led to a senior L.S. appointment.

The starting salary is negotiable around £70,000; salary progression is geared to recognise and reward achievement. The base is Tonbridge, Kent, the centre of both our UK operation and our international IBM AS400 network.

To apply, please send a brief cv, in confidence, to Mike Brown, Ref: 3610/MAB/FT, PA Consulting Group, Hyde Park House, 60a Knightsbridge, London SW1X 7LE or telephone him on 01-235 6060 for an

#### NEW HALL, UNIVERSITY OF CAMBRIDGE **BURSAR**

The College proposes to appoint a Bursar of either sex to take office early in 1990. The person appointed will become a Fellow of the College. The Bursar is responsible for finances, investments, the college estate and the management of all staff. The stipend will depend on age and experience, within the range £21,489 - £26,253 per annum.

Further particulars may be obtained from the President, New Hall, Cambridge, CB3 0DF, to whom applications (six copies) should be sent with accompanying curriculum vitae and the names of three referees, not later than 30 November 1989.

#### **Appointments** Advertising

For further

information

call 01-873 3000

Deirdre McCarthy ext 4177

Elizabeth Arthur ext 3694

Nicholas Baker ext 3351

#### **AVIATION BUSINESS** DEVELOPMENT

PRIVATbanken Limited, the leading Danish bank in London, is currently seeking a business development officer to work in its Aviation Department.

> PRIVATbanken Limited carries out a broad range of business activities, both internationally and within the UK, and has developed specialised skills in a number of areas, one of which is aviation finance. The bank has been involved in aviation finance for a number of years and the stage has now been reached where a new department is being created to handle this business.

> Reporting to the Head of the Aviation Department, your job will be to undertake part of the business development programme within the Aviation Department's business plan. The ideal candidate will have gained several years experience in aircraft finance with a leading international bank. You will have been educated to degree level, will be fluent in English and at least one other European language and will be expected to make a significant contribution to the expansion of the business. Candidates will be considered who do not fully meet these criteria but who have other relevant experience and skills.

> An attractive remuneration package is offcred commensurate with your experience and

Applicants should write with CV to: The Personnel Manager, PRIVATbanken Limited, 107 Cheapside, London EC2V 6DA





## DIRECTOR OF MARKETING & RESEARCH

London: £40,000 plus, with car + Benefits

The International Petroleum Exchange is one of London's youngest and fastest growing futures exchanges, which trades futures and options contracts in crude oil and petroleum products. It has established a consistent growth pattern and turnover is expected to double this year to 3.6 billion barrels.

This is a new appointment which is part of the Exchange's development. The appointee will report to the Chief Executive and be responsible for leading and coordinating the Exchange's marketing and research functions. Duties will include the development of the Exchange's marketing policy and strategy, the active marketing of its products, and management of the marketing and research budgets. The appointee will actively participate in the research into new products and the provision of research and marketing support to Exchange members and users.

Candidates, aged over 35, should have an established marketing record with oil industry experience and a knowledge of futures trading.

Personal applications only please to: Peter Wildblood, Chief Executive, The International Petroleum Exchange of London Ltd., International House, 1 St. Katharine's Way, London E1 9UN. All replies will be treated in the strictest

## Jonathan Wren Executive

An exciting opportunity for securities operations specialists to move into a front-line role...

#### MARKETING EXECUTIVES

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Due to further expansion, a major European financial institution requires securities specialists to sell its securities products. The positions will be located on the Continent and some within the United Kingdom.

Applicants will have detailed operational knowledge of the major Debt and Equity Markets and be excellent communicators to be able to sell their ideas both inside and outside the firm. In addition an organised approach to one's work, together with familiarity of working to deadlines and rargets is required. Detailed knowledge of customer needs and services provided by the securities industry will be sought together with a confidence to sell the company's services to other institutions and

For candidates proposing to work on the Continent of Europe, French and/or German would be an advantage and applicants for all positions would most probably be graduates.

Please contact Roger Steare on 01-623 1266

LONDON HONG KONG

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Telephone: 01-623 1266 Fax: 01-626 5258

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with a history daring back over a century, requires an additional executive, as a consequence of in-creased activity in the UK and overseas markets. You will work as part of a highly regarded team of

A British merchant bank of the highest repute and

professionals, which has acted in some of the most exciting and complex deals of recent times. The team, currently around 60 strong, provides timely, innovative and practical solutions and strategies on takeover bids, defences, all types of corporate restructuring and asset deals, in respect of both UK-based and overseas transactions. It acts for a diverse range of clients covering industrial, media-based and entrepreneurial companies, both domestic and international, plus brokers and other financial advisors and government bodies.

The bank's sphere of activities embraces banking and capital markets, investment management, securities and corporate finance, operating in the major financial centres in the Far East, Europe and the US. Worldwide, it employs over 2,500 people of whom 70% are London based.

To further your interest in this exceptional career opportunity, please write briefly enclosing a CV, or telephone Lucy Ayrton, Consultant - Banking and Finance Division, who is advising the client, in either case quoting reference 5400.

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RECRUITMENT SELECTION & ADVERTISING



43 Eagle Street London WC1R 4APTel: 01-242 8103

#### DOES YOUR INCOME REFLECT YOUR ABILITY?

If you are intelligent, ambitious with ability and are aged 25-35, you must be asking yourself if you're really getting the rewards and recognition you deserve?

With the M.I. Group your special talents won't go unnoticed. No previous experience is necessary.

You'll be given full training together with the kind of opportunities you're demanding. If you can match these qualities you could qualify to join one of the UK's top financial organisations. Simply phone for further details and talk to:

Andrew Peterson on 01-495 1447

(West End Office)

.M.L.GROUP.

## **YOUR CAREER?**

Equity Warrants

c.£30,000+ and performance related bonus Your background in options or swaps is needed for this leading house and their syndications desk.

Due to the first rate nature of our client, candidates must be a high grade Maths/quantitative graduate or an MBA, and have a minimum of two years experience in this field. You will be working on structuring deals in equity warrants and index-linked products.

Presentation and communication skills are also very important as you will be in contact with syndication members.

The right candidate will not find salary and bonus an

Junior Marketeen £20,000+ and benefits

Locking to the your credit skills in a marketing environment? This major international bank is expanding its UK marketing team and needs someo aged 23-27 with a solid credit training who has already moved into marketing, who has an understanding of client relationships and who is now ready to build upon this existing experience. This is an excellent opportunity to develop your career with a growing team

For details of these vacancies and many other ba positions contact Richard Stark or Julie Byford on ls). Or fax (01) 353 3998. 16-18 New Bridge

BADENOCH&CLARK recruitment specialists

#### REAL ESTATE DEVELOPMENT

The UK subsidiary of a major Japanese Corporation is increasing its involvement in Real Estate Development business and wishes to appoint an experienced and motivated professional to join its team in Central

With an already active involvement in a wide range of Real Estate projects in the UK and Europe, the Company is now seeking the further expansion of its activities and the job holder's main areas of involvement will be:

- evaluation of potential investment opportunities
- project appraisal
- assistance with acquisition development management

Applicants, preferably age 25-30, should be able to demonstrate their knowledge and expertise of the property business and will preferably have some previous experience within some aspect of this business sector.

Please write to Box A1393, Financial Times, One Southwark Bridge, London SE1 9HL

COMMERZBANK \$2

sbank is seeking to embance its o Spot Foreign Exchange team by recruiting a Senior Douler. The candidate, likely to be Senior Dealer. The candidate, likely to be around 30 years of age, will be expected to participate both in mira day trading and in the formulation of strategic views in major currencies. The position will involve working closely within the existing group and requires a flexible approach consistent with the Bank's philosophy of emphasizing profitability rather than turnover. A working knowledge of options and forward dealing would be a distinct advantage.

The Bank is offering a competitive rea

Please write with career details to Venes Lewiston, Personnel Manager, Commercher AG, 10-11 Austin Friers, London ECZN 2HR.

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TONS/INVESTMENT ANALYSIS

rience in Strategic Management Consultancy or Corporate Finance

After about three years of Corporate Finance, Management Consultancy or Sectoral Analysis you may feel that your present position offers little opportunity to demonstrate strategic or entrepreneurial flare. Will you always advise rather than initiate? Can you participate as a principal in the situations revealed by your analysis?

Our client is a high growth quoted investment holding company based in central London. Capitalised at over £100m it is currently active in two main sectors, one with a manufacturing, the other a retail bias. Continued growth will come through the successful identification and evaluation of acquisitions both in the core businesses and in an as yet unidentified third field. It will also be important to analyse the company's current investments, with the view of maintaining returns presently well in excess of 20%.

You should be pragmatic. The qualities of your personality should be such that you will be attracted to the prospect of creating, developing and acting on your own ideas. A determination to contribute is essential.

Ideal experience could include about 3yrs in Strategic Management Consultancy, Corporate Finance or Sectoral Analysis. You should be skilled in pre-acquistion and advanced cash flow analysis techniques. To discuss in confidence please call Barry Harte. Alternatively write to, or fax him at:

Recruitment Matters

15 Great Eastern Street - London EC2A 3EJ 01 - 377 1600 **PARI** RM RM RM RM RM RM

Fax 377 1801 RM RM



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Ideal opportunities for tough, aggressive results producers.

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**BASED BRUSSELS** 

\$50,000-\$75,000

HEADQUARTERS OF EXPANDING INTERNATIONAL FINANCIAL SERVICES GROUP We invite applications from proven sales individuals who must have had at least two years' experience in selling mutual funds, investments or real estate to wealthy international investors. This sales experience will have been gained in highly competitive merkets using both well developed face-to-face presentation skills and sound telephone sales techniques. Successful candidates are likely to be university graduates or equivalent, aged 26-35, fluent in English and Ideally with a second European language. They will report to the General Manager and be responsible for seeking out new clients internationally and be willing to travel anywhere to close a deal successfully. \$2 million in new sales per year must be well within the selling capabilities of the individuals we employ. Initial commission earnings are likely to be in the range of \$50,000-\$75,000 with favourable tax structure. Interviews can be held in Brussels or London. Applications and CV in strict confidence to the General Manager:

> DUNN & HARGITT WINCHESTER LIFE GROUP, C/O DUNN & HARGITT RESEARCH S.A., BOX 5, 6 AVERUE LLOYD GEORGE, B1050, BRUSSELS, BELGIUM. TEL: 02-640 32 80. FAX: 82-648 46 28.



sicilis on a stopt term term see to offer you scope to employ your commercial experience a Consultant, what are the first steps you should take to see the market and achieve busine is well behind forecasted expension within Europe, what can you do to join the racks of the most successful?

Salter Williams

#### RESEARCH ACCOUNTANT

**INVESTMENT ANALYSIS** 

As one of the premier integrated stockhrokers in the City, Houre Govett can currently offer a unique opportunity for a young and ambitious graduate

The role of research accountant is demanding and varied. It includes advice to analysis on technical accounting and tecation matters both demestic and international; responsibility for the maintenance and marketing of QUOTED UK, the Houre Govett UK corporate sector model; and participation in value-

The environment is dynamic and challenging - strong communication and technical skills together with a flair for computer modelling are pre-requisites for the position. As an important member of a highly regarded team you will be expected to contribute fully to the continued success of House Govett as a force in investment analysis.

To take up this outstanding career opportunity write to Carolyn Batters, Security Pacific House Govett Group, Security Pacific House, No 4 Broadgate, London EC2M 7LE.



#### SMALLER COMPANIES SALESMEN SMALLER COMPANIES ANALYSTS

Albert E Sharp & Co, one of the UK's leading USM/Smaller Company research specialists, is seeking to sugment its successful smaller companies team through the appointment of an additional selesman and analyst.

Ideally candidates will be self-starters, under 30, with at least two years experience of either researching or marketing smaller market capitalisation stocks to institutional investors. Both positions involve regular contact with our existing, extensive client base in the sector and successful candidates will be expected to show initiative in developing both new clients and expanding our research coverage of the sector. There will also be some corporate finance

We operate out of office in Birmingham and London and whilst a Birmingham base is preferred, London will be considered for an exceptional candidate.

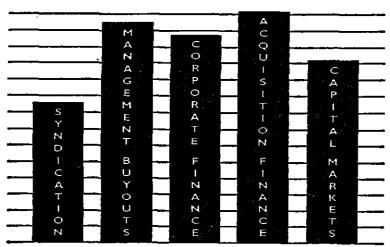
If your experience matches our requirements and you would like to join one of the UK's leading independent institutional stockbrokers and one which is committed to the further development of its already substantial presence in the smaller companies investment market, please write with a

Giles Sharp Albert E Sharp & Co Edmund Hou 12 Newhall Street Birmingham BS SER

City



## **Structured Finance**



Our client, a long established British Merchant Bank, is active in the above markets and is expanding its structured finance team with the addition of two key members.

Candidates will have gained substantial experience in at least one of the above areas, and enjoy working within an entrepreneurial team.

High profitability is reflected in salary and bonus structure. Please reply quoting reference GSW.

Rochester Recruitment Ltd. 10th Floor, Garrard House, 31-45 Gresham Street. LONDON EC2V 7DN



Tel: 01 600 0101 Fax: 01 796 4255 Eve: 0836 728 551

ROCHESTER

Challenging opportunity for

## **Investment Manager**

North American Stockmarkets Highly negotiable salary package London

River & Mercantile Investment Management is an independent investment company specialising in the management of split capital investment trusts. Owing to rapid growth of the business and current expansion plans, a position has arisen for an individual with experience of the investment analysis and management of North American companies. The ideal candidate will ultimately assume full responsibility for the investment management and performance of the group's North American funds. The salary package is highly negotiable depending on age and experience. Please apply with full career details in confidence to: The Managing Director, River & Mercantile Investment Management Limited, 7 Lincoln's Inn Fields, London WC2A 3BP. Telephone 01-405 7722.

> River&Mercantile— Investment Management \_Limited\_



#### The University of Manchester Appointment of Vice-Chancellor

The Vice-Chancellorship of the University will become vacant on October 1st 1990. The Council of the University has established a Committee to recommend an appointment to the post. The Committee invites applications or enquiries from persons wishing to be considered for the Vice-

Further details may be obtained by writing to the Chairman of Council, to The Registrar's Office, The University of Manchester, Oxford Road, Manchester, MI3 9PL.

The University is an Equal Opportunities Employer

#### ANALYSTS

Bored with the present market? Vacancies exist for one full time and two part time analysts who UNDERSTAND small companies, work quickly and communicate well. Possibility of editorial responsibilities and equity stake for right person.

Reply with CV, to Box A1392, Financial Times, One Southwark Bridge, LONDON. SET SHL

#### AAA-rated

The London Branch of BAYERISCHE LANDESBANK is recruiting a

## Corporate **Treasury Sales-Dealer**

The right candidate will have the personality and ability to develop product sales activities with corporate clients within a small successful team and make an immediate impact. Ideally, the successful candidate will be conversant with all

treasury products and possess a minimum of three years experience in this sector.

negotiable remuneration package. Please reply with CV giving full details of career to: The Personnel Manager, Bayerische Landesbank Girozentrale, Bavaria House, 13/14 Appoid Street, London, EC2A 2AA.



Bayerische Landesbank

## **Negotiated Options** and Warrants

#### £ Excellent + City Benefits

With an enviable reputation as one of the City's leading financial institutions, UBS Phillips & Drew is respected as being a major player in exchange traded equity derivatives. Having ambitious plans to expand and develop into the OTC markets, we are keen to recruit an individual with the proven capability to spearhead our

With good relevant experience of markets, you should be fully conversant in all aspects of negotiated options and warrants, understand the rules and controls necessary for a profitable operation and have the foresight to anticipate market trends. Numeracy and the ability to manage and develop a team are prerequisites.

In return we are offering a highly competitive salary which is unlikely to prove a bar to the right person plus a range of benefits normally associate with a large international bank.

ise write, enclosing an up-to-date C.V. including salary progression to: Lee Blackham, Director, UBS Philips & Drew, 100 Liverpool Street, London, EC2M 2RH.



#### FIXED INCOME SALESPERSON

We are looking for an energetic self-starter to join our small eurobond sales and trading team.

Our team is active in the secondary market and works with institutional investors to meet their needs in a variety of currencies and instruments. The successful applicant will possess the following qualifications:-Self-motivated and able immediately to contribute to the bottom line.

5 years experience in eurobond sales. Knowledge of FRN's and ECP in addition to fixed income experience a plus. Language proficiency preferred but not essential.

Please send your C.V. to

MANFRED W. NEIE ASSOCIATE DIRECTOR PERSONNEL AND ADMINISTRATION PHILADELPHIA NATIONAL LIMITED 3 GRACECHURCH STREET

LONDON EC3V OAD

## European **Fund Management** and Development

The Company
Globe Investment Trust PLC. the largest investment trust in
the world, currently manages some \$1.5bn through its quoted
and unquoted investment trust activities. Its person fund at subsidiary, Globe Morley Limited, manages funds in excess of \$800m.

This new key appointment is being created to augment and develop its quoted activities throughout continental Europe. We are seeking a flexible, high calibre individual to assist Globe strengthen its presence in continental markets through quoted equity investments of all types.

Qualifications
This position would suit a graduate aged around 30. Experience and understanding at a high level of these markets and economies is important. The ability to work as part of a small UK/European Fund Management team is vital, as are communication skills.

An attractive and competitive package will be offered to the right candidate. Please reply in writing with full CV to: John Crave, Globe Management Limited, Globe House, 4 Temple Place, London WC2R 3HP.



Globe Investment Trust P.L.C.

#### **FLEMINGS**

**AUSTRALIAN EQUITIES** 

Flemings, a major investment bank with offices in all major financial centres throughout Europe, the Far East and Australasia, wishes to expand its London team of highly qualified equity sales people to service its UK and European

Successful candidates will have specialised in Australasian equities but will also have ambition to expand their expertise within the growing equity markets of the Far East.

Candidates will be highly articulate, will ideally have a degree, substantial knowledge and interest in the Australasian markets and the ability to complement the expanding research product in these markets.

Applicants of either sex should write enclosing their C.V. to:

Frank Smith ROBERT FLEMING & CO. LIMITED 25 Copthall Avenue, London EC2R 7DR

#### ASSISTANT MANAGER **OPERATIONS**

European bank seeks someone to supervise processing of FX Loans and Deposits. Thorough knowledge of FX settlements, and required. Since the bank intends to expand in FRAs and IREAs, current knowledge of these is essential. Age is immaterial, more important are good communication skills and a high level of commitment. Salary: c. £20,000

Please tel: Shelagh Arneil on 01-583-1661 or send CV to her in confidence: Augel International Recruitment, 50 Fleet Street, London EC4Y 1BE

Morgan Grenfell, a leading UK merchant banking and invitatioent management group, is keen to expand its frictions and options broking activities within its stephury division. Consequently it seeks to recruit ambitious marketing/sales people with experience of servicing financial institutions and corporate clients.

The role will involve the generation and marketing of trading and hedging strategies on major financial futures and option exchanges. Successful candidates will already have created are established client base and have the ability to utilise the significant fundamental and technical research facilities employed within the Group's active trading areas.

Remuneration will be highly competitive with an excellent range of tranking benefits.

Please contact, giving full details: Neil Pengelly, Morgan Grenfell & Co. Limited 23 Great Winchester Street, London, MORGAN

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01-588-4545 GRENFELL

#### **VENTURE CAPITAL -**MANCHESTER

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We are a high quality independent regional venture capital fund associated with Schroder Ventures and Rickett Mitchell & Partners. We have an opening for a qualified accountant with at least 5 years experience in corporate finance, venture capital or industrial management. Rewards will be substantial and will include a long term interest in the Fund's performance.

Candidates should have the personal qualities and experience to find and lead their own deals as well as providing support to the other partners in deal execution.

Reply with cv to Peter J Folkman, North of England Ventures Ltd., Cheshire House, 18-20 Booth Street, Manchester M2 4AN Telephone 061-236-6600.

NORTH OF ENGLAND VENTURES \*\*

## Documentary Credits Manager £30K-+- Benefits

We are socking a Semier person to be responsible for the whole documentation process within this international Trading Co. Specific functions include ensuring all correct documentation is raised and workable in the context of the company's business and close liaison with bankers and the company's overseas offices, this will include occasional travel particularly to Switzerland and Romania. The company require a responsible and logical person with practical

Switzerland and Romania. The company require a responsible and logical person with practical experience gained within a bank or trading company environment. Age ideally 35 plus.

Legal Officer Capital Markets

240K + Banking Package

A respected International Bank require a qualified Lawyer with experience gained within the Cap

MKS doctain introducerary of a bank or from the Corp Fin area of a legal firm. Specific areas of responsibility will include bonds/swaps/syndicated loans.

For further details of these positions pleas telephone Jackie Osborne on 588 6674

#### PRIVATE CLIENT FUND MANAGER a unique opportunity

Thornhill is a privately owned investment management company specialising in the discretionary management of private clients' portfolios.

Our steady growth pattern now calls for another experienced fund manager to join our team. First-class personal communication skills are essential and an interest in developing geographical responsibility would be advantageous.

This is an excellent opportunity for someone who will enjoy the environment of a smaller firm and welcome the opportunity of equity

Please call James Cave or Colin Chisholm on 01-251 6767

**Investment** 

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## **MERGERS AND** ACQUISITIONS IN PUBLISHING

We are leaders in arranging mergers and acquisitions and investments in international publishing and communications. We wish to add a professional who is experienced in these areas to our London office to assist in our expansion in the U.K. and on the

The successful candidate should be fluent in French, will very likely be 30-35 years of age, and will have relevant training and background.... ... ... ... ... ...

Please reply in confidence to Mrs. Kit van Tulleken, Managing Director:

> The Poscher Company 3 Grosvenor Studios Eaton Terrace London SW1W 8HB

#### INVESTMENT **MANAGER**

Small private investment company based in London requires an energetic and creative person to develop investment opportunities primarily in the shipping industry. The successful applicant will possess the following qualifications:

- Fluency in Swedish, English and possibly one other language
- Knowledge of the Swedish financial
- Qualification to degree level in a business related subject
- Good administrative and communication
- Some experience in shipping and property - Age range 25 to 35
- Applications in confidence, enclosing full C.V. to:

TIM LOWRY, MARINE INVESTMENT MANAGEMENT 22/23 GAYFERE ST, LONDON, SW1 3HP

## **Commercial Banking**

#### Corporate **Lending Managers** To £35,000

The corporate banking division of a major merchant bank is currently seeking marketing managers to lead and co-ordinate their commercial lending operations. Ideally, you will be aged between 25 and 35, educated to degree level and/or hold a relevant professional qualification. You should also have a minimum of three years' commercial lending experience coupled with extensive contacts and knowledge of the UK corporate sector, preferably in the UK middle market. A strong clearing bank background and/or credit training would be attractive.

## Specialist Financing Manager To £35,000

A well-known international institution with a significant and growing presence in UK banking seeks candidates with experience of structuring transactions in the property and aerospace sectors. Ideal candidates will be aged between 28 and 35, graduates with strong credit skills and at least three years' experience of a wide range of project finance. A specialist understanding of property or aerospace would clearly be attractive. Successful applicants will benefit from excellent career development within a highly professional team and will enjoy an attractive salary package.

Interested applicants should contact Mark Hartsborne or Nick Bennett on 01-831 2000 or write to them at Michael Page City, 39-41 Parker Street, London WC2B 5LH.

Michael Page City

#### Copenhagen HandelsBank **London Branch**

We are looking for two credit analysts to work in a small credit section which liaises closely with Marketing Offices, but reports independently to the Credit Committee. The successful candidate for the senior position will probably have four or more vears' experience and be able to evaluate a wide range of credits, including large and small industrial and financial companies. The candidate for the other position may have less experience, but should also be very proficient. Candidates will, of course, be familiar with computer based spreading and financial projection techniques.

An attractive remuneration package is offered commensurate with your experience and skills.

Applications in writing, with CV, to The Personnel Manager, Copenhagen Handelsbank A/S, 18 Cannon Street, London EC4M

**EQUITIES** 

Demand for high quality individuals in the Equity Markets is high. We are

currently representing a number of expanding 'Blue Chip' houses who

**UK EQUITY RESEARCH**Our clients are all highly rated institutions who require experienced analysis in the following areas:- Property, Paper &

We are seeing considerable growth in these and other areas. Should you wish to be kept

<u>Tbe Rathbone Consultancy Ltd</u>

Premier House, 77 Oxford St. London WIR IRB, England. Tel: 439 | 188/287 5704 Fax: 494 0539

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informed of market developments, please contact Mike Brennan in our London Office.

salary packages, with leading European houses.

require experienced individuals in the following areas:-

#### INTERNATIONAL OPERATIONS **OUTSTANDING MANAGER OF CHANGE**

Our client is one of the world's most prestigious International Banks with a reputation built upon the quality of its products, people and state-of-the-art technology.

The challenge of remaining at the forefront of the international financial marketplace depends upon their ability to respond to increasingly sophisticated client needs and the introduction of support systems which ensure the highest level of customer service. This, combined with a focus upon efficient product delivery, has led to an opening for an tstanding manager to join their treasury/capital markets operations management team.

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Interested? If you believe you meet our criteria and would enjoy the challenge, we should like to discuss further details with you personally. In the first instance please send your written application with career details and photograph, marked "confidential", to our Personnel Department.

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> The Managing Director Common Fund for Commodities World Trade Center Strawinskylaan 507 1077 XX Ámsterd THE NETHERLANDS



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### **ACCOUNTANCY COLUMN**

# The threat of negligence lawsuits looms

By David Waller, Accountancy Correspondent

IT IS some time since an accountancy firm faced a big negligence lawsuit, and nine months since Arthur Young paid out the final tranche of its £50m settlement over its role in the John-son Matthey Bankers affair.

Yet the apparent hull gives accountants no excuse to be complacent; the scene is set for an upsurge of litiga-

For a start, the UK economy seems to be heading for a hard rather than a soft landing after years of vaulting growth. Already the evidence from the insolvency arms of the big firms suggests a pick-up in the number of business failures.

Those who have suffered loss will inevitably turn to the auditors for rec-

There will be sensational discoveries of fraud - the effects of which were hidden in prosperous times but will now come to light as the economy contracts.

Given the expectation gap -between what auditors believe to be their statutory responsibility and what the public expects - more litigation is inevitable.

Another factor is that all chartered accountants authorised to practise as auditors under this year's Companies Act will be required to carry professional indemnity insurance from the

beginning of 1990.

That will save individual accountants from bankruptcy, perhaps, but it draws public attention to the depths of firms' pockets and will probably serve to increase the total number of

As a general consideration, the

work that accountants perform is increasingly regulated by law rather than professional guideline. The Insol-vency Act 1985, the Financial Services Act of the following year and this year's Companies Act, all impose

scope for damages litigation - based on deviations from the detail of the law – is enormous.

A timely reminder of the dangers facing the firms came last week in the form of the Likierman report on pro-

legal constraints on accountants. The

fessional liability.

This long awaited document states baldly: "The unlimited nature of auditors' liabilities means that each accountancy firm is exposed to the risk of obliteration."

The report, and the Government's response to it, will help to joit professionals out of any creeping sense of

sionals out of any creeping sense of complacency.

The report was commissioned by Lord Young, when secretary of Sinte for Trade and Industry, in May last year under the general supervision of Professor Andrew Likierman at the London Business School. Lord Young's initiative followed several years of desperate lobbying by the accountants, kicked off by a petition from the so-called Heads of the Profession deputation to Mr Paul Channon – Lord Young's predecessor – in - Lord Young's predecessor - in

Important points to emerge from Claims against auditors have been increasing both in number and size. The reason for that is not, the report says, because of any deterioration in the quality of service provided

by the firms, but because of a "wide-spread assumption that the audit report is a guarantee or warranty of the accuracy of the accounts and the soundness of the company, and the knowledge that the firms carry sub-stantial professional indemnity insur-

• Although auditors are unclear of what their precise legal obligations are and to whom (shareholders, direc-tors, or users of accounts) the obliga-tions are owed, they are certain of one

distressing fact.
Unlike other professionals or accountants engaging in non-audit accountants engaging in non-audit work, they have no way of capping their potential liabilities by negotiating contractual limits with their clients. Those liabilities might potentially "exceed the market capitalisation or the net tangible asset value of the company concerned."

• All types of accountants – from sole practitioners to the Big Eight – have faced great difficulties with professional indemnity insurance, but

fessional indemnity insurance, but the nature of the difficulty differs with each category of auditor. Small to medium-sized firms were troubled by the rate at which insurance premiums rose - not surprisingly, given the report's finding that premiums more than trebled between the beginning of 1985 and mid 1986 (although they are on the way down now). Big firms, while facing similar pressure on rates, were more concerned about the availability of cover than rates. Since 1987, the maximum amount

covered has fallen to half the 1984 level, during a period when fee income - and presumably potential

liabilities - has vanited ahead. More-over the firms have found it impossible to buy coverage in the commercial market for each tier of liability. Although the big firms have got round the last difficulty by setting up two bodies (Professional Asset Liabil-ity Ltd and PADUA) to provide their own cover, the report points out that no insurance policy for accountants "will ever cover the cost of compensating for the gross liabilities of a large bank or the takeover value of a large public company".

#### Review

The report's two central recommen-

dations are as follows:

That the Government should review the law of joint and several liability, under which an accountancy firm can find itself shouldering 100 per cent of a bill for damages even if a court finds that it is only 10 per cent responsible for the circumstances that gave rise to the loss. The report acknowledges the broader implication of changing the law and suggests that the Law Commissioners should look at the issue in a wider context.

The report, ruling out a statutory capping scheme such as is under review in Australia, recommends that auditors should be able to negotiate an upper limit to their liability, thus putting a contract to furnish an audit on the same footing as any other con-tract to provide services. Such an agreement, the report says, should be shown in the accounts and disclosed in the resolution appointing the audi"This proposal would not necessarily eliminate the risk of obliteration through catastrophic cinims, but it would give accountancy firms the ability to limit their liability contrac-

tually in the same way as others pres-ently can," the report says. The Government's response was muted, to say the least. It appears to be considering the possibility of refer-ring the whole issue of joint and sev-eral liability to the Law Commission-ers, but no firm decision is even on a

ers, but no firm decision is even on a review yet. The move to allow accountants to negotiate a cap to their liability was quashed at the report stage of the Companies Bill, a week before the report was published.

Mr John Redwood, Corporate Affairs Minister, employed strong language to put across his view that "auditors have to be held liable, that auditors owe a duty and there has to be a fair trial in the courts if there is any potential negligence. The sums involved may be large but only because the amounts that may be lost by relying on inaccurate accounts can also be large."

Although professionals may feel disgruntled that it has taken three years to achieve virtually nothing on

years to achieve virtually nothing on this thorny subject, clients need not

be too upset. Paranoid auditors probably do more work than those unwerried by the threat of litigation. The audit market is so competitive, especially at the upper end, that the costs of PI insurance of fighting lawsuits are probably not passed on to the client at all.

Professional Liability, HMSO,

ACCOUNTANCY APPOINTMENTS

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## **Ernst & Young**

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London

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**MANAGEMENT SELECTION** 

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Alderwick

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Please contact Andrew Livesey on 01-404 3155, Alternatively, write to him at Alderwick Peachell & Partners, Financial & Accountancy Recruitment, 125 High Holbern, London WC1V 6QA.

## FINANCIAL ACCOUNTANT

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Our client is a financial services group with total assets in excess of £260 million Continued impressive growth together with a further injection of development capital, has resulted in the requirement to strengthen the financial support facilities, and the creation of this new role.

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'compliance with the regulatory environment will be a major responsibility (DOT, IMRO) as well as the further development of computerised systems. The successful candidate, reporting to the Finance Director, must not only be technically excellent, highly organised with sound analytical skills, but importantly, a person able to motivate staff, building and developing an enthusiastic team.

If you thrive in a growing financial services environment, write to James Forte at the address below, quoting reference 3360/3, with your present remuneration details and day and home contact numbers.

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to come up with innovations that really work, plus the communication skills to convince others. You will need to

rapidly develop the sense of strategic vision and commercial awareness necessary to create policy and follow the results through. Also, you must have the capacity to react effectively to specific technical issues whilst keeping

sight of strategic projects. If you can demonstrate your ability to successfully master these skills and to produce the required results, then this role could be the perfect stepping stone to a senior financial position within the Group.

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To apply, please send a comprehensive C.V. to Mrs. K. Cowling, Personnel Manager, Moscow Narodny Bank Ltd, 81 King William Street, London, EC4P 4JS.

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#### London

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Our client is a newly-formed Division of a highly respected British foods group, which operates on a worldwide basis. With a turnover of £300 million, the Division plans further expansion through organic growth and acquisition.

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You will be a Qualified Accountant, in your mid thirties or above with impressive financial and management skills.

Experience will have been gained within a substantial blue-chip organisation with an emphasis on quality and commercial ability. You must have the drive and personal skills to make a positive impact in this challenging role.

Please send full personal and career details in strict confidence to Alison Lewis, Executive Selection Group, Deloitte Haskins & Sells, PO Box 198, 26 Old Bailey, London ECAM 7PL, quoting reference 5325/FT on both envelope and letter.

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## **Business Growth Creates New Opportunities** Reading

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To find out more, please forward your personal and career details (by November 24th) to Mr. A. Beard, Finance & Management Accountant, London Letters Territory, 148/166 Old Street, London ECIV 9HQ. The Royal Mail is an equal opportunities employer.

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## GROUP FINANCIAL CONTROLLER

#### ASSET BASED FINANCE

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c£35,000 + Car

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**Accountancy Personnel** 

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North West

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Candidates, aged between 27 and 32, should be qualified accountants, who can combine strong technical skills with well developed commercial acumen. They are likely to have gained experience in a line financial management role and possess the strong interpersonal skills and self motivation required to succeed in this highly challenging environment.

Interested applicants should forward their Curriculum Vitae, quoting Ref. 4499, to Mark Hurley BSc, ACMA, at Michael Page Finance, Executive Division, Clarendon House, 81 Mosley Street, Manchester MZ 3LQ.

Michael Page Finance

International Recruitment Consultants London Bristol Windsor St Albans Leatherhead Birmingham Nottingh

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# Group Chief Accountant

#### Central London

Our client is a £2 billion turnover UK plc, operating internationally in a variety of high technology industrial sectors. Consistent organic growth and a programme of strategic acquisitions will continue to enhance the Group's

The position of Group Chief Accountant will carry responsibility for:

- Preparation of published accounts observing full
- regulatory compliance \* Preparation and interpretation of monthly Main Board
- Consolidation and review of forecasts and other

\* Control of the Head Office account Involvement in the integration of acquisiti \* Leading and motivating a small central team-Aged up to 40, the successful candidate will be a graduate Chartered Accountant who has detailed experience of the statutory reporting requirements of a large public group.

\* Maintaining close liaison with the Operating Division finance functions and the Central Tax and Treasury

Key personal attributes will include a high level of professionalism, well-developed leadership qualities and strong communication skills. Interested applicants should forward a comprehensive

Curriculum Vitae, quoting ref: 2615, to Alan Dickinson ACMA, Executive Division, Michael Page Finance, 39-41 Parker Street, London WC2B 5LH. Tel: 01-831 2000.

Michael Page Finance International Recruit

London Bristol Windsor St Albans Leather

MANAGEMENT **ACCOUNTANT** 

Basic Salary up to £25,000 Oxford

Our client is a substantial major national organisation who are looking to fill a

new senior position of Management Accountant. Working within the Sales Department, the core responsibility is the provision of a financial and accounting service for the sales management team. This will include planning the budgetary cycle, monitoring costs and expenditure against those agreed budgets, examining credit control and pricing policies and incentives. Close liaison with the Central Finance Unit will be required. The successful candidate will be a qualified proactive accountant who has experience of working within a commercial/sales environment — probably currently working within fincg or service industries looking to develop a career in

a forward looking environment. Please apply in writing quoting reference number JJL/2733 to Hil Lye at Illingworth and Associates, Executive Search and Selection Consult The Courtyard, 24 High Street, Hungerford, Berkshire RG17 ONF. Tel: (0488) 83881. Fax: (0488)82147.

## **Financial Planning** Manager

Innovative Marketing-Led **Consumer Goods Company** 

c£40,000 + Car + Benefits

**West of London** 



Our client, a highly profitable autonomously run UK susidiary, part of a major US corporation operating worldwide, successfully manufactures, distributes and markets a comprehensive range of quality branded consumer goods. Their commitment to product development, combined with an innovative marketing approach serves as an excellent basis for continued growth and profitability.

They are now seeking to appoint a Financial Planning Manager. Reporting directly to the UK Finance Director, and working closely with the Managing Director, your responsibilities will include:

- The management and motivation of a small team of qualified professionals
- Acting as the focal point, within finance, for senior sales, marketing.
- Advising on the financial implications of a broad range of commercial Enthusiastically promoting the role of finance throughout the company
- Anticipating and tackling key operational issues affecting profitability Short and medium term financial planning
- Ensuring the production of accurate monthly management info For this key appointment candidates will be qualified accountants of the highest calibre, 30-35 years old, experienced in operating at the most senior level in a decision support role, preferably within a high volume marketing led environment. An open confident personality, a commercial professional approach, and an ability to build relationships at all levels are essential qualities needed to succeed in this challenging role. There are excellent career development opportunities throughout the group.

For further information and a confidential discussion contact John Bowman or Neil Wax on 01-387 5400 (evenings on 0474 874473/0923 819298) or write to us at Financial Selection Services, Drayton House, Gordon Street, London WC1H 0AN quoting reference 10106.

Central

Londing

Successfully competing across a diverse range of businesses and forging a reputation for quality, our Client, a prestigious Plc, has managed yet again to dramatically increase both turnover and profit.

In order to assist in channelling this growth a recently qualified Accountant is required. Working as a key member of a small team and reporting to the Head of Corporate Finance, the work is entirely project based and will embrace the critical evaluation of existing business units and the analysis of potential acquisitions.

Candidates will be recently qualifieds with exposure to product or business evaluations and should have a high degree of self motivation.

Please apply directly to Richard Carter at Robert Half, Freepost, Walter House, Bedford Street, 418 The Strand, London WC2R 08R. Telephone: 01-836 3545, or evenings on 0344 885911. Alternatively, fax your details on 01-836 4942.

Financial Recruitment Specialists London · Birmingham · Windsor · Manchester · Bristol · Leeds Brussels · USA · Canada

# FINANCIAL ANALY MANAGER to £37,000 + bonus + car

#### Central London

This recently formed division of a top British plc specialises in industrial distribution and stockholding. It has a strong international emphasis with over 60 companies throughout Britain, Europe and N. America and a turnover well in excess of £1BN. With a progressive entrepreneurial culture it has a record of rapid recent acquisitive growth and ambitious plans for future expansion.

The Manager - Financial Analysis will be a high profile member of the Head Office team, with a very commercially oriented brief. Reporting to the Divisional Head of Finance, the successful candidate will be responsible for budget and sales performance analysis, operational and strategic initiatives, intercompany comparisons, competitor studies capital expenditure proposals and acquisition and disposal appraisals. This will entail a detailed understanding of the business activities of all the operational companies both in the UK and overseas.

Candidates aged in their 30's will be qualified accountants or possibly financial MBA's. They should have built up a track record of increasing responsibility, ideally in a substantial industrial organisation with international links. In addition to sound technical abilities and a natural business acumen, you should have solid analysis experience and an understanding of acquisition appraisal techniques. The role entails a high level of liaison with both UK and overseas companies and therefore requires well-honed communication skills, strong personal credibility and demonstrable self-confidence.

Please reply in confidence, giving concise career, personal and salary details to Paul Carvosso, quoting Ref. L466.

Egor Executive Selection, 58 St. James's Street London SW1A 1LD (01-629 8070)

United Kingdom · Belgium · Denmark · France · Germany · Italy · Netherlands · Portugal · Spain · Sweden

#### FINANCIAL CONTROLLER

-SATELLITE TELEVISION

S.E. London

c£30,000 + Car+ Share Options Our client is a satellite communications company which supplies and installs Satellite Master Antenna Television (SMATV) equipment and cable systems.

It now seeks a Financial Controller to be responsible for setting up reporting and control systems including consolidated management information covering the UK and overseas and costing systems for estimating and controlling contracts.

Candidates will be qualified accountants aged 28-35 with a strong contract costing background and experience of operating computerised management information systems. There will be a significant commercial involvement as a key member of a small management team.

Please contact D. E. Shribman for further information, or write to him at the address below.



#### **APPOINTMENTS** WANTED

EXPERIENCED 38
YEAR OLD FREELANCE FINANCIAL CONTROLLER/ COMPANY ACCOUNTANT

available for temporary assignment, Locum posi-tion. Hands on approach. Mobility throughout U.K.

Telephone 0246-418853

#### **GROWTH,** ADMINISTRATION, CORPORATE PROBLEMS?

Big 8 accountant with broad European management experience available to

help. Contact: CBC Consultants 88 Highlands Heath London SW15 3TY or 01-788-9548.

seeks CONTROLLER/ DIRECTORSHIP c£35,000

# NEW TEAM, NEW CHALLENGES

#### North-West Midlands c£25K + car

OUR CLIENT is a publicly quoted, brand leading manufacturing company with an international market and several overseas divisions. In order to strengthen their Group Finance function, they now wish to recruit the following professionals:

#### Group Internal Auditor Your role will be to develop and manage the internal

audit function of the UK and worldwide operations including manufacturing, wholesaling and retailing, This position requires a Qualified Accountant with several years' auditing experience and a thorough understanding of the controls required in a large, complex, international organisation. A background in manufacturing is essential as is experience of multicurrency accounting and a willingness to travel

#### **Group Financial Analyst**

A high calibre Financial Analyst, you will be looking for a career move and the opportunity to make a very positive impact on a company's future direction. This is a strategic planning role with responsibility for

financial modelling, budgeting, forecasting, internal and external analysis, capital expenditure appraisal

As a highly self-motivated individual, you will have a degree in economics, mathematics or similar and a familiarity with analytical techniques. A professional ассоциталсу qualification may also be appropriate. Experience of manufacturing business, an understanding of forex and multi-currency accounting are essential as is the ability to work under pressure.

Salaries as indicated will be offered, depending on qualifications and experience together with a fully expensed company car and relocation assistance where appropriate.

Opportunities for career development will only be limited by your own ambitions and potential in this large organisation.

Please send full cv and salary details which will be forwarded to our client unopened. Address to our Security Manager if listing companies to which it should not be sent. Ref: M9202/FT, PA Consulting Group, Advertising and Communications, Fountain Court, 68 Fountain Street, Manchester M2 2FE. Tel: 061-236 4531.



Creating Business advantage

الكاداصرالأصل

# Financial Controller

Cheshire-based

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to £45,000 + benefits

The National Grid Company will have a vital role to play in the future of the electricity supply industry following vesting in 1990. The hydro-electric pumped storage generating plant in Wales will represent an important part of National Grid's business. This challenging business area now requires the appointment of a Financial Controller based in Cheshire.

Reporting to the General Manager of the Pumped Storage Business, you will be the senior finance executive in the management team, providing financial input into a range of business areas including strategic planning. Specific responsi-bilities will include budgeting and financial planning, management and financial accounting, tax, treasury and systems.

You will be a qualified Accountant in your late thirties/early forties. Senior financial management experience, including

statutory reporting, will have been gained in a comparable canital-intensive business. You will have excellent management and communication skills and will require a strong, highly-

Please send full personal and career details in confidence to Christopher Evans, Executive Selection Group, Deloitte Haskins & Sells, PO Box 198, 26 Old Bailey, London ECAM 7P1, quoi reference 5327/FT on both

motivated character. You should also relish the cha

of establishing a new finance function in this major enterprise.

EXECUTIVE SELECTION

**ACCOUNTANCY & LEGAL** 

envelope and letter.

PROFESSIONS SELECTION LTD 3 London Wall Buildings, London Wall, London EC2M 5PJ

A demanding appointment - scope to become Financial Director in 6-18 months

ALPS

MONACO

FINANCIAL CONTROLLER

£35,000 **–** £40,000 HIGHLY SUCCESSFUL YACHT BROKERAGE AND CHARTER COMPANY OPERATING WORLD-WIDE

This vacancy calls for accountants qualified ACA, ACCA or ACMA, aged 32-40, who will have acquired at least 6 years' post qualification experience in commerce or industry and not less than 2 years' controlling an accounts team. A working knowledge of French will be a definite advantage. Sound practical experience in installing computerised accounting systems is important. The successful candidate will be responsible for controlling, through a small accounting team, the total accounting function producing meaningful monthly management accounts, forecasts, budgets etc. covering offices in 4 European locations. Up to 25% away travel will be necessary. The capacity to contribute significantly to the company's further profitable expansion is important. Initial salary negotiable, £35,000-£40,000. + profit sharing + car, contributory pension, BUPA, relocation expenses and settling in allowance. Applications in strict confidence under reference FC195/FT, to the Managing Director: ALPS



A senior appointment with a strong commercial bias and excellent career prospects

**FINANCIAL CONTROLLER** 

£25,000 - £40,000 + CAR

FAST-EXPANDING COMMUNICATIONS DIVISION (£1.5 BN T/O) OF A MAJOR, ESTABLISHED PLC To strengthen the expansion within this Division, we invite applications from qualified Accountants (ACA, CIMA, ACCA), aged 30-40, with at least 5 years' post-qualification experience in a sophisticated accounting environment, controlling accounting for major projects, ideally within the Information Technology, Construction or Contracting sectors. The management and motivation of a team is an important prerequisite. The successful candidate, reporting to the General Manager and working closely with the Finance Director, responsibilities will include the interpretation and analysis of financial data, providing financial and commercial advice on state-of-the art projects and developing systems for the control of resources and costs on these major projects. This is not a number-crunching role but a wide ranging business development and management position in a fast-moving environment, working with multi-disciplinary teams. Strong communication and liaison skills with a pro-active approach to problem solving is essential. Initial salary negotiable £25,000-£40,000 + car, contributory pension scheme, free life assurance, free private medical scheme. Applications in strict confidence, either by telephone on 01-588 3027 (daytime) or 01-673 6783 (evenings/weekends) or in writing under reference FC194/FT, to the Managing Director: ALPS

3 LORDON WALL BUILDINGS, LONDON WALL, LONDON ECZNI SPL. TRLEPHONE 01-508 3500 or 01-508 3576. TRLEX: 807374. FAX: 81-206 8681.

ORGANISATIONS DESCRIPTIONS ASSISTANCE ON RECOUNTRIENT - PLEASE TRLEPHONE 81-428 7538.

The cosmetics and toiletries business is worth \$40bn worldwide. Avon Cosmetics has achieved its position as the worlds largest manufacturer in the sector, through its sales and marketing driven approach to

An international company with its head office base in the USA, its need omice base in the USA, the group is experiencing strong growth both in the core business and through new product ranges, such as pre-school toys, (ashion accessories and illumorie

and lingerie. Last year its worldwide sales exceeded \$3bn, and in the UK, turnover is approaching Avon's UK Headquarters, based in Northampton, is an impressive modern complex, centralising both manufac-

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FINANCIAL SYSTEMS MANAGER c £30,000 package + F.E. Car + Full relocation assistance

This is a high profile key position for an ambitious accountant, probably aged

30 or under, keen to make their mark. Entailing a complete review of the current financial systems a considerable amount of the successful applicants time will be spent liaising with end users, ensuring that their requirements are incorporated into new systems designs; and the subsequent full development and implementation of new, improved

and fully integrated financial systems. inter-personal skills are therefore of great importance, together with some previous experience in the financial systems field.

A qualified accountant with broad commercial experience, if you can bring your systems development flair to Avon Cosmetics, they can offer long term career progression enabling you to develop your career to new heights. Promotion prospects will present themselves in around two years for a senior finance management position, or possibly in a more general role.

For further details of this unique opportunity, contact Peter Fitton at the company's recruitment advisors, Career Marketing Partnership, by telephoning

CAREER MARKETING PARTNERSHIP

170 EDMUND STREET, BIRMINGHAM B3 2HB . TEL: 021-233 4224.

## Capital **Markets** Accountant

£28,000 Car

Banking Benefits

This major US investment House with offices based around the world seeks a Newly Qualified Accountant to work in the Capital Markets Division. Reporting to the Market Controller and overseeing a small team, your task will be to provide London and New York with comprehensive information on the performance of London trading activities. Principle responsibilities will include:

- Ensuring adequate finance controls for London trading
- Investigation of operating costs in London Money Markets Production of management accounts for London and New York
- Supervision, development and appraisal of staff

In addition to ACA/ACCA qualification the successful candidate will have a sound academic record together with proven analytical and communication skills. This is an excellent opportunity for a young, career orientated individual to work in a pressurised environment and develop within one of the most respected and recognised forces in

For further information please telephone or send your CV to Valerie Grassham or Tony Leggett at Joslin Rowe Associates (Financial Recruitment Consultants), Bell Court House, 11 Biomfield Street, London EC2M 7AY.

Tel: 01-588 7287. Fax: 01-382 9417.

## Group **Financial** Controller

(Director Designate)

**Expanding Service Group** 

c£35,000 + Car + Benefits

**North West London** 

**SELECTION** SERVICES >

Executive Selection Division

Our client, a dynamic international service group, and one of the leaders in its specialised field, has experienced major growth over the last few years both organically and by acquisition, with the presentation of the Queen's Award for Export Achievement the culmination of its recent successes. With turnover now in excess of £10 million, they have ambitious plans for further developments and acquisitions, and are confidently heading towards a public flotation.

They now wish to appoint a qualified accountant (probably aged 28-33) to further strengthen the management team and to meet the challenges resulting from the expansion of the business. You will be responsible to the Managing Director for all aspects of financial control, accounting and reporting for the group and its subsidiaries. This will involve the enhancement of existing computerised systems, as well as the provision of meaningful and accurate management information to the Board and full accurate management information to the Board, and full and detailed financial and business support to the entrepreneurial management of the operating divisions.

Above all, this demanding role will provide the opportunity for a commercially astute and highly-motivated individual to make an increasing contribution to key business decisions effecting the profitable expansion of the Group. Success in this area, combined with highly-developed interpersonal skills and a maturity of business judgement, will lead to a Board appointment in the near future.

Please write, in confidence, to Neil Wax, Consultant to the Company, with full career details, including current remuneration package or, ideally, phone him on 01-387 5400 (eves 0923 819298) for an initial discussion, quoting ref. 10103. Financial Selection Services, Drayton House, Gordon Street, London WC1H 0AN.

## Group Financial Controller

**Industrial Sector** Surrey/Hants Border,

£30,000, Car, Relocation

This is an excellent opportunity to join the senior management team of a market-leading industrial organisation, a largely autonomous part of a major British PLC. The imminent introduction of new products is poised to provide significant additional growth in international markets over the next few years. A qualified accountant, probably aged 28-40, you will lead a small team responsible for the co-ordination of the accounting and reporting functions of both the UK Company and overseas subsidiaries, including budgets and forecasts, performance analysis and systems development. Experience of multi-currency transactions and consolidations and the financial control of long term contracts would be a distinct advantage.

This is a pro-active role, charged with assisting the directors in implementing their longer term strategic objectives. Candidates will therefore need the strong technical, commercial and inter-personal skills required to make a real contribution to the Company's development plans. There will be some international travel of short term duration. The salary is negotiable to £30,000 and a car is provided. A comprehensive relocation package is available if necessary.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to, G. Lengley, Hoggett Bowers plc, George V Place, 4 Thames Avenue, WINDSOR, SL4 1QP, 0753-850851, Fac: 0753-853339, quoting Ref: W22008/FT.

# Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD, WINDSOR.
A Member of Blue Arrow plc

# CRUITMENT MANAGER

MAJOR UK TAX PRACTICE

ur client is a prestigious firm of Chartered Accountants, which seeks an experienced recruitment professional to manage recruitment and selection in its Tax Division.

This is a high-profile role, in which the key responsibilities will be to build strong relationships with consultancies, manage advertising assignments, conduct indepth interviews and carry out selection skills training. It will also include advice on compensation levels, and organisation of the firm's overseas transfer programme.

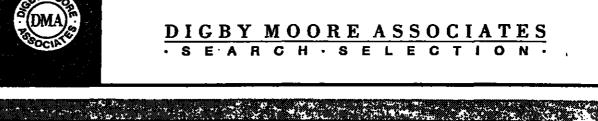
We would like to hear from talented and ambitious men and women with a record of success in the recruitment of professional staff within a competitive market. Ideally, this will have been gained in the Accountancy and Financial

Services market, preferably with a leading recruitment consultancy, or in the HR function of a progressive organisation.

This is an outstanding opportunity to build on your recruiting expertise and develop your career in Human Resource management. At this time of rapid growth, the firm offers excellent career prospects and a commitment to invest in training and development, which will include sponsorship to study for relevant professional qualifications.

For a confidential discussion about this appointment, please telephone Elisabeth Jordan on Windsor (0753) 857181, or write to her at Digby Moore Associates, Mountbatten House, Victoria Street, Windsor, Berkshire SL4 1HE. Fax: 0753

DIGBY MOORE ASSOCIATES · S E A R C H · S E L E C T I O N · ,



## **Taxation Advisor International Company**

West End

A unique opportunity exists for a young qualified person

with a minimum of 2 years' corporate tax experience to play a proactive role in the tax affairs of a major European organisation. The company has achieved excellent growth in the last 5 years and enjoys an enviable position in its

Its tax affairs cover a number of both complex and

interesting areas and the position offers a great challenge to a young, aspiring, tax specialist to gain excellent commercial exposure at a management level.

The successful candidate for this newly created position reporting to the Head of Tax, will have one of the following

 Be currently with the tax department of a commercial organisation;

• Be a supervisor/assistant manager within a firm of accountants/tax advisors;

Be a young, qualified Inspector of Taxe

The ability to communicate clearly and adapt to a dynamic business environment are essential elements of this key position. The successful candidate must also possess the potential for future growth either within taxation or general

c £32,000 + Exec. Bens.

For further information regarding this exceptional opportunity, contact Graham King on 01-831 2000 (evenings/weekends on 01-556 6920) or write to him at Michael Page Taxation, 39-41 Parker Street, London WC2B 5LH.

In the first instance, interested parties will receive a detailed job description and company information pack. Strictest confidentiality assured.

Michael Page Taxation International Recruitment Consultants

## **ARE YOU A QUALIFIED ACCOUNTANT SEEKING A CONTROLLERSHIP?**



X

Our client, Smith's (Harlow) Limited, is a successful manufacturer and refurbisher to order of high precision components of the highest quality for the aerospace industry. The privately owned company employs about 70 and profitably turns over in excess of £3m. Prospects for this industry appear excellent.

With significant plans for the future, the company now seeks a 25–38 year old qualified accountant to report to the Board as Financial Controller. Broad financial and management accounting experience in job/project/contract manufacturing is essential.

3i Consultants Ltd

Harlow New Town Salary negotiable + car

To the usual benefits is added the opportunity for a Board appointment in due course.

Candidates, male or female, please write to David T Bentley, Managing Consultant, 3i Consultants Limited, 3 The Billings, Walnut Tree Close, Guildford GU1 4UL, or phone 0483 300938 (24 hours), for details and an application, quoting Ref: DB/880.



A WEALTH OF EXPERIENCE

## FINANCE DIRECTOR

Sussex

Aged 30 - 40

£40,000 + Substantial Equity

Our client, a young company, has enjoyed considerable success over the last few years in the distribution industry. It has now established a large, franchised portfolio of major blue chip clients and in order for the company to develop effectively, a high quality Finance Director is

The Finance Director will work alongside the Managing Director and will be expected to contribute greatly to the future development of the business. Principle responsibilities will be the implementation of a new computer system and the restructuring of the financial and organisational structure of the company.

The successful candidate will be a qualified accountant, with at least five years' commercial experience, preferably gained within a distribution company. Proven man-management and communication skills are also essential prerequisites.

In addition to the advertised salary, the benefits package includes equity, fully expensed car, pension and private medical

Interested applicants should telephone Giles Daubeney on 01-437 0464 or write to him, enclosing a detailed CV, at the address below.

ROBERT • WALTERS • ASSOCIATES

RECRUITMENT CONSULTANTS is House 1 Leicester Place London WC2H 7BP

## **Director of Finance**

#### LEICESTER AREA, £30,000 PACKAGE + EXECUTIVE CAR

The expansion and development plans for this STO million humover, high quality manufacturing and engineering company involve the doubling of humover in 2-3 years in an industry which is forecast to grow as a whole at an even greater rate. As a largely autonomous substitute of a maritiment nous subsidiary of a medium sized American group, the company supplies precision products to the energy process plant inclusiry and operates from a brand new factory using state of the cat technology. A Director of Rinance is needed to raise the profile of the finance function so that If becomes removaling and the company of commercial input Into the decision making process. The Managing Director promotes a progressive, open style of management. You will be around 30 years of age,

probably a graduate cost and management accountant, with strong data processing implementation and development stills gained in a manufacturing environment. Also, experience of the treasury function would be a considerable culturature. ould be a considerable advantage but not essential. You will possess the strength of character required to communicate positively and convincingly and although controlling a staff of 15, you should be prepared to

involve yousself in detail as required CV's please, to include an indication of present salary and a daytime telephone number, to John Bliott, Coopers & Lybrand Executive Resourcing Limited, 43 Temple Row, Stirmingham, 82 6JT, quoting reference JE168.

Executive



## **Financial Planning and Analysis** Manager Volume manufacturing c.£32,000 + Car

Kent

Our client, part of a major UK plc, generates turnover of £160m by producing advanced equipment for the international automotive sector. The company's continuing success in this competitive market results from its commitment to leading-edge technology, total quality and high manufacturing efficiency.

As head of a department of ten, you will provide full analyses of skills will be particularly important.

Remarkal performance and effective financial planning using the There is excellent potential for promotion within the group. latest techniques. This will entail prepading and commenting on . . . intrigested candidates should write éxidosing a CV and daytim evaluating capital expenditure proposals. Responsibilities will also include maintaining accurate product costings, inventory valuations, cost estimating and the monitoring of performance against key business programmes.

Probably an ACMA aged 28-35, it is essential that you have had several years in-depth experience of sophisticated volume

manufacturing systems and financial planning/analysis methods. Your track record will show a sound academic background, preferably to degree level, and a progressive careto date. The role includes considerable contact with senior line management, therefore good presentation and communication

Whitehead Rice Ltd., 43 Welbeck Street, London W1M 7PG.

Whitehead Rice

MANAGEMENT SELECTION

# **ACQUISITIONS ANALYST**

Central London

to £30.000 + car + benefits

As one of the ten largest companies in the UK with an annual turnover greater than £7.5 billion, we are well placed to develop as the world's first global gas company. We are looking for opportunities to widen the base of our operations and to develop additional businesses to supplement our current core business of gas supply.

As a key member of the Corporate Finance division you will provide expert financial advice to senior management on all aspects of mergers

The role requires strong interpersonal and analytical skills with sound commercial judgement and the ability to use your own initiative. You should be a qualified accountant with several years' experience. Knowledge of overseas accounting standards and international taxation

would be an advantage.
Salary, up to £30,000, is supported by an excellent benefits package including company car, profit sharing and sharesave schemes,

30 days' holiday, index-linked pension, sports and social facilities, and relocation assistance where appropriate.

Please send your cv, quoting reference FIN/12978/028/FT, to Sara Copeland, Recruitment Administration, British Gas plc, 59 Bryanston Street, London W1A 2AZ Closing date for receipt of applications 24 November 1989.

An equal opportunity employer

British Gas'

## Young Chartered Accountant

LEEDS, TO £30,000 PACKAGE

LEEDS & HOLBECK SOCIETY

your present salary, to

telephone number, giving an indication of

Angela McDermottroe, Coopers & Lycrand Executive Resourcing Limited, Albion Court, 5 Albion Place, Leeds, LST 4JP, qualing

Leeds & Holbeck Building Society runks amongst the top twenty building societies in the country. With assets in excess of \$1.4 billion, it is one of the most successful and fastest growing building societies in

This continued expansion has created the need for an ambitious, qualified chartered accountant to join the senior management team. Your initial task will be to assist the Society's Secretary in all his duties before assuming tuli responsibility for the function in the medium term. This will include attendance at Board and Statutory meetings and advising both the Board and management on financial aspects of the Society's operations.

You are likely to be a graduate accountant In the age range 25 to 35 with at least two years post qualification experience preferably gained within a major firm of accountants, a blue chip' organisation or within the financial services sector. You will possess above average communication skills, a high degree of commercial

awareness and strong leadership qualitie There are excellent prospects for career development into general management within the Society. Comprehensive relocation facilities are available where

Please write, enclosing your

curriculum vitae and daytime

appropriate

**Executive** Resourcing & Lybrand



## Young Finance Executive ....an opportunity to run your own show

c. £32K + Substantial bonus and Car

Surrey

This is an excellent career opportunity for a qualified accountant to join a progressive and very successful British pic with international interests in the food sector.

Your initial appointment will be as Finance Director of a recently acquired subsidiary manufacturing and marketing premium food products. The business has enjoyed remarkable success and with considerable backing from the parent company the future looks extremely good. Current turnover is c.£6m which will dramatically increase through new Sales and Marketing initiatives, increased production capacity and a significant investment in new plant and machinery.

Reporting to the MD you will have a critical role to play in the management and development of this high potential business against a backcloth of substantial change.

It is anticipated that you will undertake a complete reappraisal of systems and implement change, inject new thinking and ideas, and strengthen the overall financial management of the business at

both Strategic and Operational levels.

You should be able to demonstrate sharp end financial management experience and may be currently operating as a number 2' but keen to run your own show, Alternatively you could be seeking a first move from the profession into industry. Personal qualities of sensitivity, strength and confidence without aggression and close affinity with a heavily sales driven business are critical.

The management style of the Group, combined with an ambititious growth policy in addition to the highly competitive, fast moving nature of the business, means that this is no ordinary finance role. With excellent longer term career development and the prospect of working in a: very attractive Surrey location we feel sure

that this is an opportunity that few ambitious finance professionals will want to miss.

Please send your c.v. including current salary and benefit details, quoting ref. AR5015 to: Mr P Bainbridge, March Consulting Group, March House, 13 Park Street, Windsor, Berkshire SL4 1LU.

March Consulting Group Manchester Windsor Coventry Edinburgh

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#### International Operational Audit

Midlands Based

GKN pic, the £2.4bn turnover Group, currently has opportunities for Accountants who are keen to develop their careers in an international context. Heading up to the Group Chairman and Chief Executive, Corporate Audit is a high profile function, where the emphasis is on operational review. The remit is to provide independent examination of management controls and systems for the protection of Group assets, and contribute to the improvement of corporate profitability. Extensive travel is envisaged for both positions and a good working knowledge of European language(s) is therefore highly desirable.

Team Manager

Circa £32K plus Car and Benefits As Team Manager you will head up a multi-disciplined

As learn manager you will riead up a multi-cusulpian led team of professionals and play a leading role in determining and managing the audit programme across manufacturing and service businesses workdwide.

Aged 30 to 45, you will have an ACA, ACMA or ACCA qualification, probably be an honours graduate/MBA, and be able to demonstrate a track record of achievement in a commercial/industrial environment. You must possess a high energy level, drive and excellent written and oral communication skills. Previous auditing experience is essential.

Qualified Accountants Circa £20 - £23K plus Car and Benefits

You are likely to be aged 27-35 with an ACA, ACMA or ACCA qualification plus degree/MBA. Some industrial/Commercial experience is preferred and audit experience is desirable. You must be able to demonstrate good written and oral communication skills.

For both positions relocation assistance is available and career prospects within the Group are excellent.
Successful applicants can expect to move into subsidiary companies within 2-3 years.

Interested persons should write with full CV including details of current remuneration to: Lesley Butcher, Group Services Personnel Manager, GKN pic, PO Box 55, lpsley House, lpsley Church Lane, Reddirch, 1898; ML

GKN - the international automotive, defence and industrial services group:



Executive Selection

To £30.000+Car Warwickshire

Our Client is a long-established, medium sized textile manufacturer with an enviable record of success. It is modern and sophisticated in its approach, with products of the highest quality. Reporting to the Chief Executive, the Financial Controller is responsible - with a small team-for the efficient financial management of the company. A commercially aware, pro-active approach is essential and a significant contribution to the development of short and long term business plans will be expected. Company secretarial duties are also part of the role.

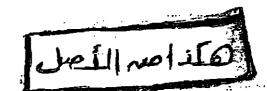
Applicants, probably aged 30-45, will be qualified Accountants with manufacturing experience, commercial awareness and a sound knowledge of computerised systems. Good communication skills and the ability to lead and motivate a small team are essential for success, as is the personality and approach to gain credibility and respect at all levels.

A salary of up to £30,000 per annum is offered and the company car is fully expensed. Please write with full career details including salary and quoting reference L/127/89 to Morag Lloyd.

Arlen House, Salisbury Road, Leicester LE1 7QS. Telephone (0533) 471122



KPMG Peat Marwick McLintock



#### CORPORATE **FINANCE**

UK Merchant Bank

From £27,600 + Cer + Banking Benefits

Opportunities exist for both highly qualified ACAs and experienced corporate financiers within this renowned UK merchant bank. You will be insues, full listings, divestments and M&A. You should have an emelient track record with a desire to succeed in a comments.

International Team From £23,689 + Banking Renefits

This leading UK merchant bank with established expertise in cross-book transactions, is seeking a confident, curbusiastic ACA for its internation M&A team. You will ensist in identifying potential acquisition tegets carry out research and unarket innovative ideas to potential clients. You

Venture Capital From £29,000 + Bouns

nd exciting opportunity exists within this start-up venture tion. This attelf yet high quality team is seeking two bright vill assist in analysing inventuent proposels and in completing use. You must have two years post-qualification investigations

voc summer details of these and other Corporate Finance positions, slesse contact Kathurine Seymour on 61-583 8673 (day) or 61-769 8662 evenings and weekensle). 16-18 New Bridge Surect, London SCAV 6AU. Faz. (61) 353 3968.

#### **COMMERCE &** INDUSTRY

PA to Finance Director – W. End £38,880 + share option

Play a major role in the expansion of this prestigious development company involved with instorical properties. A dynamic, high calibre ACA is required to participate in all financial decision-making issues and to see as there on the company's behalf. Smellent prospects exist in this large sation. Aged to 30. Ref C398.

Blue Chip-Central London c.£26.000 + Renefits

This prestigious of and energy multinational acquires a high calibre ACA who can progress in an environment of continual change and challenge. Project responsibilities add to a diverse weddend encompassing acquisitions and divestments, financial analytical reviews and a shareholder buyout within the recent period. Prospects are first class! Age

Financial Controller, Media – Wi c.£25.000 + car

With plans for significant expansion by acquisition well underway, our client is looking for a bright, young ACA with some commercial exposure to set up a new finance function. The brief will cover financial control, acquisitions, investigations and staff recruitment. Promotion to the board is envisaged as the next step. Ref C374.

please contact Jayne Smith on \$1.583 9873 (day) or \$1.562 8868 (evenings and weekends). 16-18 New Reidge Street, London EC4V 6AU. Faz. (81) 353 3968.

#### **MANAGEMENT** CONSULTANCY

Retail Strategy-W1 To £50,000 + Car

Prexigious strategic consultancy seeks high calibre individuals with the ability and determination to succeed in this competitive cavintonized. Applicants should possess an MRA from a first-class business school, be accomplished linguists and be able to demonstrate a mack record of success managing the organization and operations of a dynamic commercial enterprise.

Treasury Consultancy-City To \$45,000 + Car + Bens

We are seeking dynamic and ambitious Corporate Treasurers to join the profile team, based within a prestigious international constalance. Advising on a variety of measury issues to a broad cross-section of court clients, there will be an increasingly international flavour as 1992 appearance to should have at least three year's corporate treasury experience cultivaries and committed.

Newly Qualified - Management Consultancy - City

International Management Consultancy arm of Big "7" Accountancy farm withes to steet high-flying newly/recently qualifieds. As part of a multi-disciplinary team, consultants will be involved in varied client assignments for both the private and public sector. Applicants should have exemplety academic records and be looking for fast track promotion.

For fasther details of these and other positions in Management Commitmes, please contact Louise Barlow on 61-563 8673 (day) or 81-673 7275 (evenings and weekends), 16-18 New Bridge Street, London EC4V 6AU. Fox. (81) 353 3006.

BADENOCH & CLARK recruitment specialists

#### INTERNAL AUDIT **MANAGER** BRACKNELL C.£28,000

Clifford Foods plc is a listed company in the food industry with operations in Bracknell, Oxford and Swansea, and a retail branch network in Berkshire and Oxfordshire. Due to internal promotion we now seek to recruit a new Group Internal Audit Manager, to be based at Bracknell.

Your role as manager of a small internal audit department will be to investigate new and existing systems and procedures with a view to improving efficiency, control and profitability.

You are likely to be a qualified accountant and to have an auditing background with exposure to large companies and computerised systems. Additionally you should possess initiative and good communication and man-management skills. Benefits include a salary of circa £28,000 and a fully expensed car. Please write with full C.V. to:

> Mr. T. Garratt Personnel Manager Clifford Foods pic, Western Road BRACKNELL Berkshire **RG12 1QA**

## FINANCIAL CONTROLLER PEL Management of Change

City

14

5

£40,000

+ Car

a division of

*PROBE* 

Our client is part of an international Financial Services group widely regarded as the leading business in its field. In order to meet the demand for improved financial management, they seek to strengthen their existing team with the appointment of a Financial Controller.

Reporting to the Finance Director, you will develop and implement a comprehensive financial planning process, design financial/management accounting and reporting procedures and improve control and reporting on treasury, foreign exchange and funds flow activity. Additionally, you will be expected to contribute to the achievement of financial objectives by the establishment of performance ratios and criteria and an enhanced control over company balance sheets.

Aged 30+ you will be a qualified accountant with a record of significant achievement to date. The ability to communicate effectively, as well as assume responsibility quiddy in a challenging environment, is important, To apply, please write endosing a full CV and salary history to:

Jeremy Lancaster,

PROBE EXECUTIVE SELECTION

15 Artillery Passage, Bishopsgate, London E1 7DL.



# LIMMICIAL DIVICION

c.£32.000+Car+Bonus

Hall & Tawse Western Limited is a £30 million plus turnover construction company based in Stourbridge and operating from four area offices at Stourbridge, Reddirch, Stoke-on-Treat and Cheltenham. An opportunity has arisen for a qualified, commercially aware, self-motivated individual to be appointed Financial Director. As a senior decison making member of the Board, your brief will be to co-ordinate, plan and direct the financial management of the company, to maximise its contributions to business development, operational control and profit performance

The successful candidate will have polished communication skills and the proven ability to manage, motivate and direct staff. Construction industry experience will be a significant advantage and it is considered that anyone under the age of 35 will be utilizely to have the necessary level of experience.

Our client is a subsidiary company of the successful £160 million plus turnover Hall & Tawae Group whose main operations include construction, design and build, specialist works, housing partnership and property development—and which in turn operates as the Construction Division of Raine Industries plc. For a position of this nature, the company offers a salary package destined to grow in line with the continuing development of the busine

To apply, please write with full CV. and salary details, quoting reference B/234/89 to Margaret-Anne Stocker.





## **KPMG** Peat Marwick McLintock

Executive Selection

Peat House, 2 Cornwall Street, Birmingham B3 2DL

## **Finance** Director And Company Secretary

**Engineering** West Yorkshire, c £25,000, Bonus, Car

This subsidiary of a Blue Chip Plc involved in specialist engineering design and production now have an opportunity to add strength at Director level. Reporting to the Managing Director you will be responsible for the full statutory accounts, treasury, management information, material control and computerisation in addition to providing significant input to the company strategy.

Aged 30 plus, ACA/FCA qualified you will possess a

broad range of Financial Management Costing and Commercial skills, including first hand experience of engineering and manufacturing in a UK and export environment.

We are seeking a highly self motivated 'hands on' manager capable of being involved in all levels of the business.

The benefits in the form of salary and bonus potential are attractive. A full relocation package is available.

J. Bewley, Ref: L20064/FT. Male or female candidates

should telephone in confidence for a Personal History Form, 0742-731241, Fax: 0742-731331, Hoggett Bowers plc, Bank House, 100 Queen Street,

# Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD, WINDSOR
A Member of Blue Arrow plc

### Corporate Reconstruction and Insolvency Managers - London and St. Albans

The Price Waterhouse Corporate Reconstruction and Insolvency team in the South East is eager to recruit more professional staff at manager level. We are determined to maintain the recent growth of our business in the South East which in addition to London includes departments in St. Albans, Redhill and Southampton.

Our success has been based on expert and constructive advice to companies in difficult business situations, concentrating on monitoring and assisting them to return to financial viability. We are also active in fraud investigations and other similarly demanding

You, as an experienced professional in this specialist field, will already have developed communication and management skills as well as a strong commercial awareness. You may feel that your present role is no longer challenging you or provides little prospect for your personal and professional development.

If so, consider what you could gain from joining Price Waterhouse.

We can offer you comprehensive continuing training in all the skills you need as you progress, the stimulus of working with other likeminded professionals expert in their field, excellent career prospects and, above all, the quality of experience on which to base your future career development. We will provide relocation assistance where appropriate, along with an excellent salary, car, pension scheme and health care plan.

To find out more about your prospects with Price Waterhouse, call or write to:

Mike Jennings Price Waterhouse Southwark Towers 32 London Bridge Street London SF1 9SY

## Price Waterhouse



OFFICES IN: LONDON - ABERDEEK - BRININGHAM - BRISTOL - CARDIFF - EDIMBURGH - GLASGOW - LEEDS - LEICESTER - LIVERPOOL - MANCHESTER BROUGH - NEWCASTLE - NOTTRISHAM - REDMILL - ST. ALBANS - SOUTHAMFION - HINDSON - ASSOCIATED FIRMS BY IRELAND - THE CHAMMEL (SLANDS AND THE ISLE OF MAN

## HIEF ACCOUNTANT

Cambridgeshire

To £27,000 + car

his Division of a major public company is already one of Britain's leading publishers of national agazines. Turnover last year was 260 million, and it ently achieved significant profit incresses. based on acquisition and organic growth. The Chief Accountant's prinicipal responsibility will be

to provide an effective service to both the Division and its component companies. This will include ment of the finance team, and the preparation and consolidation of management information leading to the production of financial and statutory accounts. There is also potential for ad hoc projects, mainly

related to acquisitions. This new opportunity will appeal to a Chartered or Certified Accountant who has a degree and up to two years' post-qualification experience, preferably in an

operating environment. The successful applicant will also combine an enthusiastic yet disciplined approach with strong leadership and communication skills.

The position is based in an attractive, easily accessible location, with affordable housing and many leisure activities. The company offers a competitive salary, together with a comprehensive benefits package including a company car, a generous pension scheme and savings plan, and private medical insurance. nce with relocation is also available if necessary.

For an informal discussion, please call Elisabeth Jordan on Windsor (0753) 857181, or send your career details to her at Digby Moore Associates, Mounthatten House, Victoria Street, Windsor, Berkshire SIA 1HE, Fax (0753) 860696.

DIGBY MOORE ASSOCIATES

- SEARCH - SELECTION -

## **Financial** Director

£25k plus + Car + Equity

Rural West Midlands



With 3 sites in the UK, this small but thriving engineering group has a turnover of around £2 million which is increasing rapidly.

Based at the company's headquarters in rural West Midlands, the Financial Director will be fully responsible for every aspect of accountancy and the financial management of the Group and will be heavily involved in the preparation and implementation of short and long term business

Aged 30/45 and fully qualified (ideally ACA), applicants must be experienced Company Accountants with a successful record of financial management in an engineering environment. Commercial acumen and sound man-management skills are essential together with the ability to work under pressure and to react quickly to ever-changing

This high profile role within a rapidly developing and ambitious Group carries a salary negotiable in excess of £25,000 plus comprehensive benefits including car, private health care and equity participation after a qualifying period. Relocation assistance is available where appropriate.

Please contact Elizabeth Brassington, LINK Management Selection, Phoenix House, 1/3 Newhall Street, Birmingham B3 3NH. Tel: 021 233 2827.

## FINANCE DIRECTOR — SOUTH MIDLANDS



Our client is an operating company within a UK group. The group is a subsidiary of a well-known British company, which in turn is 2 wholly owned ibsidiary of a major American corporation.

The company, which has a turnover of oproximately \$200 million, is a UK market leader in the provision of networked distributive services.

As a result of internal promotion, and the relocation of the company's headquarters to the South Midlands, the company now seeks to appoint a Finance Director. The position reports directly to the Managing Director, and is supported by a small team. In addition to functional responsibility for the Regional Controllers based within the network, the position requires a close working relationship with Operational and Commercial

Your 'top line' of responsibility will be for profit and

Package to \$50,000 + car

- The flow of all financial information to the group The establishment of policies on stock control and debtor days
- The involvement with the maintenance and development of computer systems within the
- The control of capital expenditure

 The review of potential acquisitions. You will be a graduate, qualified account credible and self motivated with a strong commercial outlook, who can demonstrate previous profit-line ensibility ideally, but not essentially, in retail, distribution or a similar industry.

interested individuals who fit the above criteria, ald write, enclosing a current resumé together with salary details to Peter Flammiger, Director at PMS, 14 Cork Street, London WIX 1PE

Search and Selection Specialists

## Financial Management

#### **Financial** Accountant

#### INTERNATIONAL TRADE & FINANCE

My client specialises in International Trade Finance, Procurement and Joint Venture Management. As part of a UK based multi-national the growth and diversification of the business has led to the need to strengthen the management team by the appointment of a Financial Accountant.

You will have responsibility for a small staff and the production of all accounting and financial information from the London and overseas operating areas including Group tax and consolidations.

This is a highly demanding hands-on role at the centre of a developing business that would

## **Pannell** Hetherington

CITY: £25,000 + CAR

suit a recently qualified Chartered Accountant who has either got international and/or general management aspirations. Alternatively you may be in your early thirties with long-term career goals. Some overseas travel will be involved.

In the first instance please write enclosing a full CV to lan R Hetherington, advisor to the company, at:

Pannell Hetherington Ltd, 779 - 781 Finchley Road, London NW11 8DN Fax: 01 458 7344 or Telephone (078 087) 496.

#### MEANCIAL DIRECTOR DISIGNATEROMPANT SECRETARY

GLASGOW negotiable package

Our clients are a long established trading group with companies currently active in the electrical wholesale distribution and gaming and leisure machines sector. The management is currently seeking profitable areas of diversification and expansion.

They require a mature and ambitious chartered accountant, not only with the qualifications and experience to run the financial functions of the group efficiently, but also having the flair and commitment to contribute significantly to the strategic planning necessary for the future development of the group

He/she must have experience at a senior supervisory level in a commercial or industrial environment and must have a "hands on" knowledge of strategic planning and investment appraisal techniques. It is anticipated that the candidate will be aged mid-thirties to mid-forties.

This is a unique opportunity to contribute at board level in a dynamic privately owned group. Therefore an excellent remuneration package and future equity participation are on offer to the right candidate.

Should you be seeking a new challenge please write enclosing a full curriculum vitae to the Executive Recruitment Section of



#### McLACHLAN & BROWN Chartered Accountants

JAMES SELLARS HOUSE, 144 WEST GEORGE STREET, GLASGOW G2 2HG. TELEPHONE: 041-331 2811.

#### FINANCIAL CONTROLLER

Our client is the rapidly expanding subsidiary of an Italian company. They are suppliers of high quality office system

They are seeking to recruit a Financial Controller, reporting to the Managing Director, who will manage the financial, distribution, and administration functions. The successful applicant will be a computer literate qualified

accountant, probably with some experience in industry/ commerce, who possesses strong interpersonal skills, and has the ability to manage a young dynamic team. Working closely with the Managing Director, you will be commercially aware, and expected to contribute to the development of the company.

A knowledge of Italian would be an advantage.

Please send your C.V. with salary history to Chris Carr, Fraser & Russell, Corporate Development Services, 4 London Wall Buildings, Blomfield Street, London, EC2M 5NT.

Fraser & Russell

#### GROUP ACCOUNTANT

We are a 'privately' owned, long established, London motor group. We are looking for an energetic young accountant to inject new blood into the business.

We take it for granted that you will be comfortable with computerized management accounting disciplines, and be a competent manager of people.

As well as assuming overall responsibility for the accounting aspects of our business it is imperative that you contribute actively at board level to planning of our continued growth and financial success.

This is a key appointment for us and we offer a substantial salary, company car, BUPA, private pension plan and scope for considerable job satisfaction. Please apply by letter Box A1396, Financial Times,

One Southwark Bridge, LONDON, SEI 9HL

To secure the best appointments at senior level needs more than good advice, accurate career objectives and succinct presentation. InterExec SMI not only provides career advice to successful executives but also retains the unique facility of our subsidiary conv the critical gap between counselling and the right job InterMex maintains a unique data base of some 6,000 unadvertised vacancies per annum, providing the only confidential implacement. Service. If you are considering a move or need a new challenge then telephone (01-930 5041) for an exploratory meeting

InterExec SMI Pic Landscer House, 19 Charing Cross Road, LONDON WC2H 0ES.

The service offered by InterMex is free and can be used undependently of the Counselling Service

Senior Financial Managers

#### **Group Company Secretary** Major UK Merchant Bank

c.£70,000 package

Rare opportunity for top performer to take up a visible, influential role in the UK financial services sector. THE COMPANY

Leading, publicly quoted, UK merchant bank. International organisation well placed to continue its growth in the UK and worldwide.

THE POSITION

- Full responsibility to a Group Board Director as Secretary to the Group Board and Group Management Committee.
- Providing company secretarial services to the Group through the management of an established team.
- Key position in the monitoring of investor relations and share

QUALIFICATIONS

Experienced Company Secretary, preferably with legal background, experience within a major institution in the financial

Capacity to operate effectively within a complex environment demanding full understanding of public company governance including legal and insurance, Stock Exchange regulations and employee share ownership schemes.

♦ Aged 35-40, with a proven track record of active contribution to the management of a major, ideally international public company.

Excellent package to include a high base salary with full banking benefits.

Please reply in writing, enclosing full cv, Reference H4349 54 Jermyn Street, London SW1Y 6LX.



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## FINANCIAL DIRECTOR **NORTH OF ENGLAND**

Our client is a subsidiary of a Multi-National Market Leader operating within the packaging sector. A major reconstruction of the business is underway as a result of which the need for an Experienced Financial Director has been identified.

Reporting to the Managing Director, you will have strong leadership skills and the capacity for pragmatic thinking in an environment of rapid change. Located in the North of England, you will be responsible for the financial management of the business. Preference will be given to those applicants with a proven "Bottom Line" financial track record at the senior executive level.

If you can demonstrate the skills necessary to be part of a team that means to be highly successful then you should write in strictest confidence, with a day time telephone number, quoting reference number R278 to:

Management First Selection Limited

9 KINGSWAY LONDON WC2B 6XF TELEPHONE: 01-836 0532 FACSIMILE: 01-831 0857



#### **GOVERNMENT OF THE CAYMAN ISLANDS**

The Public Service Commissioners invite applications from suitably qualified candidates for the post of:

#### DEPUTY SUPERINTENDENT OF INSURANCE

Applicants should be qualified Chartered Accountants with a minimum of 5 years' experience in auditing insurance companies. Candidates should be proficient with computers and possess good human relations skills. Experience in offshore financial centres or with the Department of Trade an advantage.

The duties of the post include administration of regulatory functions determined by Law and Regulations, examining annual insurance returns and audited financial statements. development of computer audit systems, training of junior staff and preparation and analysis of statistical data.

Salary fixed at CI\$39,660 per annum. (CI\$1 = U\$\$1.20). No income tax is payable in the Cayman Islands.

The appointment is on contract for two years initially. Leave entitlement is 20 working days per annum. Benefits include air passages, medical care and housing assistance at 50% of rental upto a maximum Government contribution of CI\$500 per month.

Application form, together with notes on conditions of service including housing, medical benefits, leave and baggage entitlement are available from: Cayman Islands Government Representative

Trevor House 100 Brompton Road Knightsbridge

London SW3 1EX

Telephone: 01 823 7613

Applications should be completed and returned by 30 November 1989.

#### **Group Taxation Manager** Major Industrial Company

c.£40,000 + excellent package

Central Scotland

Well established UK plc with major international interests seeks a highly qualified, ambitious Chartered Accountant to develop its Group Tax Planning function.

THE COMPANY

growth.

- ♦ International group of companies in the industrial services sector, headquartered in Scotland.
- Long established with excellent reputation for quality. ♦ Medium sized plc, profits £50m plus, with good record of

THE POSITION

- Responsible for strategic tax planning at international level. Reporting to Finance Director. Small, highly professional team.
- Further develop centralized tax department, close liaison with international subsidiaries.

Experience of group tax planning, gained in the profession or industry; strong international bias.

Bright, creative, analytical, with good communication skills. Prepared to travel.

Graduate Chartered Accountant, ATII, ideally aged 35-45.

THE REWARDS Excellent salary and benefits package; good bonus opportunities and share options. BMW.

Challenge of developing key tax function. Please reply in writing, enclosing full cv. Reference GH4451.



78 St. Vincent Street, Glasgow. G2 5UB, GLASGOW - 041 204 4334

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SLOUGH • 0753 694844 • HONG KONG • (HK) 5 217133 The Delivery of the company of the C

# Group Internal Auditor

Leisure

We are acting for a major plc Leisure Group which specialises in presenting sports and entertainment events, exhibitions and conference facilities and in the provision of ancillary services to the leisure industry. The Group, with turnover exceeding £110m, operates throughout the UK, USA and Europe and is expanding.

As the Internal Auditor, you will be responsible to the Group Finance Director for auditing all internal controls/ operating systems of subsidiaries within

the Group. This is a new appointment offering an

interesting variety of duties with the opportunity of gaining first-hand knowledge of all activities within a fastgrowing industry. For the right person there is tremendous scope for the future.

You must be a qualified accountant with a knowledge of computerised systems and experience of spreadsheet analysis. This may attract someone looking for a first appointment outside the profession. This position will inevitably involve some degree of travel.

Salary to £25,000 + car, share option scheme and usual benefits. Location, London Head Office. Please write, in strict confidence, enclosing CV with details of current salary,



DBA Associates Limited Clerks' Well House 19 Britton Street London ECIM 5NQ Tel: 01-250 0003

#### **FINANCE DIRECTOR**

Cameron Hall Developments Limited was responsible for the pioneering development of the Gateshead MetroCentre. It is a family company with predominant interest in property development and investment and with supporting interests in manufacturing and marketing. It is currently entering the field of hotel and conference management and embarking upon a major development of the Wynyard Estate on Teeside.

We seek a Financial Executive to join our Main Board and assist us through the next phase of our growth. The position will appeal to a qualified Accountant who is used to operating at all levels and being part of a professional management team. Previous experience in the property sector and of funding and taxation matters would be a distinct advantage. This is new position with considerable scope for developing the finance function and establishing appropriate reporting and control procedures within the Group.

The appointment will be based at our Head Office at Wynyard Half and relocation assistance will be provided. This is a senior position and it will be competitively rewarded. Please apply in writing supporting your application with a comprehensive C.V. to the Administration Manager at: CAMERON HALL DEVELOPMENTS LTD



Wynyard Hall BILLINGHAM

Cieveland